

THANJAVUR SPINNING MILL LIMITED



FIFTY THIRD ANNUAL REPORT AND ACCOUNTS

2014 - 2015



SHRI. K. TIRUVENGADA MUDALIAR
Founder



SHRI P.A.C. RAMASAMY RAJA



THANJAVUR SPINNING MILL LIMITED

BOARD OF DIRECTORS :

Shri P.R. RAMASUBRAHMANEYA RAJHA, B.Sc.
Chairman

Dr. K.T. KRISHNAN, M.D.
Managing Director (Upto 30.04.2015)

Shri P.R. VENKETRAMA RAJA
Director (Upto 23.09.2014)

Shri K.T. RAMACHANDRAN

Shri S. KANTHIMATHINATHAN

Shri S. KRISHNASWAMY KAMAYA NAICKER

Shri R. SIVASUBRAMANIAN

Bankers :

Axis Bank Limited

Canara Bank

Indian Bank

The Karur Vysya Bank Limited

Tamilnad Mercantile Bank Limited

Auditors :

M/s. N.A. JAYARAMAN & CO.,
Chartered Accountants,
9, Cedar Wood, No. 11, 4th Main Road,
Raja Annamalaipuram,
Chennai - 600 028.

Cost Auditors :

M/s. RKMS & Associates,
Cost Accountants,
IV-B, Akshaya Homes,
9B-20, Barathiyar 4th Street,
Tagore Nagar, S.S. Colony,
Madurai - 625 016.

Chief Financial Officer :

Shri S. Venkataraghavan

Registered Office :

"Rajapalayam Mills Premises",
P.A.C. Ramasamy Raja Salai,
Rajapalayam - 626 117,
Tamil Nadu.

E-mail: tsml@ramcotex.com

Phone:04563-235666

Fax:04563-236520

Web Site :

www.thanjavurspinningmill.co.in

Corporate Identification Number:

L17111TN1961PLC004505

Factory :

Vallam One Road,
Thanjavur - 613 005,
Tamil Nadu.

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THANJAVUR SPINNING MILL LIMITED

NOTICE TO THE MEMBERS

NOTICE is hereby given that the 53rd Annual General Meeting of the Company will be held at 11.30 A.M on Wednesday, the 12th August, 2015 at P.A.C. Ramasamy Raja Centenary Community Hall, Sudarsan Gardens, P.A.C.Ramasamy Raja Salai, Rajapalayam – 626 108, Tamil Nadu to transact the following business:

ORDINARY BUSINESS:

1. To consider and pass the following Resolution, as an ORDINARY RESOLUTION:
“RESOLVED that the Directors’ Report and the Company’s Statement of Profit & Loss for the year ended 31st March 2015, Balance sheet as at that date and Cash Flow Statement for the year ended on that date and the Auditors’ Report thereon be and are hereby considered and adopted.”
2. To consider and pass the following Resolution, as an ORDINARY RESOLUTION:
“RESOLVED that Shri P.R. Ramasubrahmaneya Rajha, who retires by rotation, be and is hereby elected as Director of the Company.”
3. To consider and pass the following Resolution, as an ORDINARY RESOLUTION:
“RESOLVED that Shri. S.Krishnaswamy Kamaya Naicker, who retires by rotation, be and is hereby elected as Director of the Company.”
4. To consider and pass the following Resolution, as an ORDINARY RESOLUTION:
“RESOLVED THAT in terms of section 139 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, the appointment of, Shri. R. Palaniappan, Prop, M/s. N.A.Jayaraman & Co., Chartered Accountants, Chennai, holding Firm Registration No.: 001310S, as Auditors of the Company for the second consecutive year, viz. from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting, out of their term of three consecutive years as approved at the Annual General Meeting held on 04-08-2014, be and is hereby ratified.”

SPECIAL BUSINESS:

5. To consider and pass the following Resolution, as an ORDINARY RESOLUTION:
“RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and Rule 14 of Companies (Audit and Auditors) Rules, 2014, the remuneration of Rs. 25,000/- exclusive of Service Tax and Out-of-pocket expenses payable to M/s. RKMS & Associates, Cost Accountants (Firm Registration No. 000335) appointed as the Cost Auditors of the Company by the Board of Directors, for the financial year 2015-16 for auditing the Cost Records relating to manufacture of textile products, be and is hereby ratified and confirmed.”

By order of the Board,
For THANJAVUR SPINNING MILL LIMITED,
P.R. RAMASUBRAHMANEYA RAJHA
CHAIRMAN

RAJAPALAYAM,
21-05-2015.

NOTES:

1. Statement pursuant to Section 102 of the Companies Act, 2013, setting out the material facts related to the item of Special Business is annexed hereto;
2. **A member entitled to attend and vote is entitled to appoint a Proxy to attend and vote instead of himself and the Proxy need not be a Member of the Company.**
3. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. Proxy Form is enclosed. Proxies in order to be effective must be received at the Registered Office of the Company not less than 48 hours before

THANJAVUR SPINNING MILL LIMITED

NOTICE

the commencement of the Meeting. Proxies submitted on behalf of the companies, societies, etc., must be supported by an appropriate resolution/authority, as applicable;

4. The Register of Member and Share Transfer Books of the Company will remain closed from 07.08.2015 to 12.08.2015 (both days inclusive).
5. Pursuant to the provisions of Section 205 A(5) and 205 C of the Companies Act, 1956, the Company has transferred the unpaid or unclaimed dividends for the financial year 2006-07 on due date, to the Investor Education and protection Fund (the IEPF) established by the Central Government. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company on the website of the Company (www.thanjavurspinningmill.co.in), as also on the website of the Ministry of Corporate Affairs. The dividends remaining unpaid for a period of over 7 years will be transferred to the Investor Education & Protection Fund (IEPF) of the Central Government. Hence, the members who have not claimed their dividend relating to the year 2007-2008 may write to the Company for claiming the amount before it is so transferred to the Fund. The details for transfer of such unclaimed dividend to the said Fund are:

Financial Year Ended	Date of Declaration of Dividend	Last Date for Claiming Unpaid Dividend	Due Date for Transfer to IEPF Fund
31.03.2008	06.08.2008	05.08.2015	03.09.2015

6. Electronic copy of the Notice for the Annual General Meeting and the Annual Report for 2014-15 are being sent to all the members whose E-Mail IDs are registered with the Company (Share Transfer Agent: Cameo Corporate Services Limited) / Depository Participant(s). Physical copy of the Notice together with the Annual Report are being sent in permitted mode, to members for whom the E-Mail IDs are not available and who have requested for physical copies. The Notice and the Annual Report are also available on the Company's Website – www.thanjavurspinningmill.co.in for their download.
7. Under Rule 18 of Companies (Management and Administration) Rules, 2014, Members, who have not got their E-Mail IDs recorded are requested to register their E-Mail address and changes therein with the Company in respect of physical shares and with Depository Participants in respect to dematerialised shares.
8. Voting through electronic means
 - A. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is providing members a facility to exercise their right to vote at the 53rd Annual General Meeting (AGM) by electronic means and the business may be transacted such voting through e-voting services provided by Central Depository Services (India) Limited (CDSL).
 - B. The facility for voting, either through electronic voting system or ballot or polling paper shall also be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting.
 - C. The members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

The instructions for e-voting are as under:

 - i) To log on to the e-voting website www.evotingindia.com.
 - ii) To Click on Shareholders.
 - iii) Now Select the "THANJAVUR SPINNING MILL LIMITED" from the drop down menu and click on "SUBMIT"

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NOTICE

iv) USER ID

Now enter your User ID as given below:

- For CDSL: 16 Digits beneficiary ID,
- For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
- Members holding shares in Physical Form should enter Folio Number registered with the Company.

v) Next enter the Captcha Code as displayed and Click on Login.

vi) PASSWORD

- If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.
- If you are first time user follow the steps given below:

	For Members holding shares in Demat form and Physical form
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by the Income Tax Department (applicable for both demat shareholders and physical shareholders).</p> <ul style="list-style-type: none">• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits sequence number in the PAN field. (Sequence number has been provided as SL. No. in the address label).• In case the sequence number is less than 8 digits, enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL Letters. Eg. if your name is Ramesh Kumar with sequence number 1, then enter RA00000001 in the PAN field.
Dividend Bank details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none">• If both of the details are not recorded with the depository or Company, please enter the member ID/Folio Number in the Dividend Bank details field as mentioned in instruction (iv).

vii) After entering these details appropriately, click on "SUBMIT" tab.

viii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Set Password' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

ix) For members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

x) Click on the relevant EVSN for THANJAVUR SPINNING MILL LIMITED on which you choose to vote.

xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option "YES" implies that you assent to the Resolution and option "NO" implies that you dissent to the Resolution.

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NOTICE

- xii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolutions.
 - xiii) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
 - xiv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
 - xv) You can also take out print of the voting done by you clicking on “Click here to Print” option on the Voting page. It need not be sent to the Company.
 - xvi) If Demat account holder has forgotten the changed password then Enter the User ID and the Captcha Code and click on Forgot Password & enter the details as prompted by the system.
 - xvii) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to **<https://www.evotingindia.com>** and register themselves as Corporates. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
- D. The facility for remote e-voting shall remain open from 9.00 a.m. on Sunday, the 09th August, 2015 to 5.00 p.m. on Tuesday, the 11th August, 2015. During this period, the members of the company, holding shares either in physical form or in dematerialised form, as on the cut-off-date, viz., Thursday, the 06th August, 2015 may opt for remote e-voting.
- E. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at **www.evotingindia.com** under help section or write an email to **helpdesk.evoting@cdslindia.com**.
- F. The voting rights of shareholders shall be in proportion to the shares held by them in the paid up equity share capital of the Company as on 06.08.2015.
- G. Shri.R. Palaniappan, Chartered Accountant (Membership No:205112), Proprietor, M/s. N.A.Jayaraman & Co, Chartered Accountants has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- H. The Chairman shall, at the general meeting, at the end of discussion on the resolutions on which voting is to be held, allow voting, with the assistance of scrutiner, by use of ballot or polling paper or by using an electronic voting system for all those members who are present at the general meeting but have not cast their votes by availing the remote e-voting facility.
- I. The Scrutinizer shall immediately after conclusion voting at the Annual General Meeting, first count the votes cast at the meeting there after unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make not later than three days of conclusion of the Meeting, a consolidated Scrutinizer’s Report of the total votes cast in favour or against, if any, to the Chairman or person authorised by him in writing who shall countersign the same and the Chairman or a person authorised by him in writing shall declare the result of the voting forthwith.

By order of the Board,
For THANJAVUR SPINNING MILL LIMITED,

P.R. RAMASUBRAHMANEYA RAJHA
CHAIRMAN

RAJAPALAYAM,
21-05-2015.

THANJAVUR SPINNING MILL LIMITED

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM No. 5

In accordance with the provisions of Section 148 of the Companies Act, 2013 (the Act) and the Companies (Audit and Auditors) Rules, 2014 (the Rules), the Company is required to appoint a cost auditor to audit the cost records of Company from the financial year 2015-16, relating to manufacture of Textile Products.

On the recommendation of the Audit Committee at its meeting held on 20-05-2015, the Board had approved the appointment of M/s. RKMS & Associates, Practicing Cost Accountants as the Cost Auditors of the Company to audit the Company's Cost Records relating to manufacture of Textile Products at a remuneration of Rs.25,000/- exclusive of Service tax and out-of-pocket expenses.

The appointment and the remuneration of the cost auditor is required to be ratified by the members in accordance with the provisions of Section 148(3) of the Act and Rule 14 of the Rules.

The Directors recommend the Resolution to the Members for their approval.

None of the Directors, Key Managerial Personnel or their relatives are deemed to be interested in this Resolution.

RAJAPALAYAM,
21-05-2015.

By order of the Board,
For THANJAVUR SPINNING MILL LIMITED,
P.R. RAMASUBRAHMANEYA RAJHA
CHAIRMAN

THANJAVUR SPINNING MILL LIMITED

DIRECTORS' REPORT

To the Members

Your Directors wish to present the 53rd Annual Report and the Audited Accounts of the Company for the year ended 31st March 2015.

FINANCIAL RESULTS

The financial results for the year ended 31st March, 2015 after charging all expenses but before deducting finance cost and depreciation have resulted in operating profit of Rs. 705.78 Lakhs as against Rs. 1967.55 Lakhs for the previous financial year 2013-14.

After deducting Rs. 1510.84 Lakhs towards finance cost and providing Rs.561.53 Lakhs towards Depreciation, the loss for the year is Rs. 1366.59 Lakhs. After taking into account Rs. 515 Lakhs towards Deferred Tax Asset, the Net Loss for the year is Rs 851.59 Lakhs (Previous Year: Net Loss of Rs. 294.86 Lakhs).

SHARE CAPITAL

The Paid-up Capital of the Company is Rs.2970 Lakhs (Previous Year: Rs.270 Lakhs) consisting of the following:

- i) 27,00,000 Nos. Equity share capital of Rs.10/- each.
- ii) 2,50,00,000 Nos. 9% Cumulative redeemable preference shares of Rs.10/- each. (Previous Year: Nil)
- iii) 20,00,000 Nos. 9% Cumulative optionally convertible redeemable preference shares of Rs.10/- each. (Previous Year: Nil)

DIVIDEND

In view of loss incurred by the Company, your Directors are unable to recommend any dividend for the current year on the Preference as well as Equity shares. In view of the loss incurred by the company your directors have not made any provision for payment of Dividend for the preference share capital.

TAXATION

The Company is not liable to pay income tax under both regular method and Minimum Alternate Tax. An amount of Rs.515 Lakhs towards Deferred Tax Asset is considered, which is in accordance with the Accounting Standards.

MANAGEMENT DISCUSSIONS AND ANALYSIS

TRADE CONDITIONS

During the year under review, the performance of the Company was severely affected due to the following reasons:

The cotton prices have prevailed at higher level during the first half of year under review and started declining from October 2014 onwards due to record cotton crop estimated at 400 Lakhs Bales for the cotton season 2014-15. The reduced demand of Cotton from China, have negatively impacted on the cotton prices. Because of this, cotton prices have fallen below the Minimum Support Prices and Government of India has started procuring cotton at minimum support price through Cotton Corporation of India (CCI). CCI has purchased majority of the cotton produced in Andhra Pradesh / Teluganna Region during current cotton season 2014-15, which has resulted in non-availability of cotton to the Spinning Mills at reasonable price.

The fall in prices of yarn in export market due to sluggish demand for yarn in the China, Europe, Japan and other major yarn importing Countries from India has negatively impacted on the profitability of the Company. Yarn export to China, which is one of the largest Importer of Cotton Yarn from India has declined by 20% due to change in Chinese Government policy to liquidate their cotton inventory.

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DIRECTORS' REPORT

Because of the slowdown in export market, there has been an excess supply of cotton yarn in domestic market. This has resulted in mismatch between supply and demand for yarn in India. The increased supply of cotton yarn in domestic market has brought down the selling prices of yarn in India. Steep fall in cotton prices have also put pressure on selling prices of yarn in domestic and export markets.

The power cut in Tamil Nadu is still continuing. Timely decision taken by your Directors to install Windmills in previous years has helped the Company to mitigate the power shortfall during peak wind season. The restrictions imposed by the Tamil Nadu Generation and Distribution Corporation (TANGEDCO) in evacuation of power generated by wind mills has continued this year also, which has resulted in loss in generation of power from wind mills to the extent of approximately 5 million units, which translated into Rs.2.89 Crores in monetary terms.

Due to shut-down of wind mills by TANGEDCO, the Company was forced to purchase the power from power generating companies / run the DG sets, which are costly compared to wind mills. Due to this, the power cost during the year has gone up.

The reduction in yarn selling price and the increase in costs have contributed to reduction in profits for the year 2014-15, compared to the previous year.

EXPORTS

On the export front during the year, we have made export of Cotton Yarn including merchant export for a value of Rs. 1990.47 Lakhs as against Rs. 4020.09 Lakhs of the previous year.

WIND MILL

The Company had wind mills with installed capacity of 9 MW for its captive power consumption. During the year, 3 Nos. of Wind Electric Generators with an aggregate capacity of 2.40 MW were sold in the month of March, 2015 hence the company has wind mills with capacity of 6.60 MW for its captive consumption as on 31.03.2015. These wind mills are connected to the grids maintained by Tamil Nadu Generation and Distribution Corporation (TANGEDCO). The generation from wind farms has been adversely affected due to evacuation constraints imposed by TANGEDCO. Because of this, even though our wind farm areas had witnessed good wind season, the windmills were not able to generate power to its full potential. The backing down of the wind electric generators imposed by TANGEDCO during the last year has continued this year also and caused generation loss during peak wind season.

The wind farm has generated 139 Lakhs Kwh as compared to 141 Lakhs Kwh of the previous year. The income during the year from the Wind Mill Division was Rs. 8.02 Crores as against Rs. 8.13 Crores of previous year.

SALE OF A MAJOR OF THE UNDERTAKING, PROPERTIES AND ASSETS OF THE COMPANY

As a part of financial restructuring of the company and based on the approval given by the members through postal ballot process, your directors have decided to sell the following assets of the company:

- i. Entire 'A' Unit at Thanjavur comprising of Land (around 16 acres), building (around 2.5 lakhs sq. ft.) and machineries.
- ii. Windmills (Enercon) – 3 Nos. of 0.80 MW each at Palani, being used for supply of power to 'A' Unit, together with the land on which these windmills have been erected (around 7.50 acres) and the connected movable assets.
- iii. Land (around 36 acres) and buildings (around 50,000 sq. ft.) at Tiruttani.

During the year the Company sold 3 Nos. Enercon make Windmills with an aggregate capacity of 2.40 MW and few textile machineries for the value of Rs.1346 Lakhs with a profit of Rs.68 Lakhs and proceeds has

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DIRECTORS' REPORT

been utilized for prepayment of term loans, Your directors are on the process of finding suitable parties for balance textile machineries and other assets.

PROSPECTS FOR THE CURRENT YEAR

The cotton prices are prevailing at moderate level. There is a sign of revival of demand for yarn in domestic as well as international yarn markets and the prices of yarn have started improving slowly. With the moderation in cotton prices & stability in yarn prices, your Directors are hopeful in achieving satisfactory results for the year 2015-16.

The Company is maintaining high standards of yarn quality, cost effective production and stringent waste control measures and focusing on more automation with a view to utilize the skilled manpower more efficiently. The Company is making all efforts to cope up with the current challenges through continuous cost reduction, imparting training to the employees at all levels, re-engineering of process and improved customer service to protect & improve the profit margins.

INDUSTRIAL RELATIONS AND PERSONNEL

Consequent to the disposal of entire A unit of Thanjavur, the Company reduced the strength of workman and amicably settled their dues by introducing VRS under agreement with Labour union. The Company has 365 employees as on 31-03-2015. Industrial relations with employees remained cordial during the year. Human Resources Development activities received considerable focus. The emphasis was on imparting training and development of the skill-set of the employees to enable them to face the challenges in the work environment. The scarcity of skilled labour and heavy absenteeism in labour attendance are causing loss of production. We are striving our best to retain them by implementing attractive incentive schemes to labours to achieve better attendance.

Information in terms of Section 197 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not applicable.

INTERNAL FINANCIAL CONTROLS

In accordance with Section 134(5)(e) of the Companies Act, 2013, the Company has Internal Financial Controls Policy by means of Policies and Procedures commensurate with the size & nature of its operations and pertaining to financial reporting. In accordance with Rule 8(5)(viii) of Companies (Accounts) Rules, 2014, it is hereby confirmed that the Internal Financial Controls are adequate with reference to the financial statements. ERP System developed by M/s. Ramco Systems Ltd., has been installed for online monitoring of all functions and management information reports are being used to have better control and to take decisions in time.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

In accordance with Section 177(9) and (10) of the Companies Act, 2013, the Company has established a Vigil Mechanism and has a Whistle Blower Policy.

DIRECTORS

In accordance with the provision of the Companies Act, 2013 and in terms of the Memorandum and Articles of Association of the Company, the following Directors retire by rotation at the ensuing Annual General Meeting and they are eligible for re-appointment.

1. Shri P.R.Ramasubrahmaneya Rajha (DIN:00331357)
2. Shri S.Krishnaswamy Kamaya Naicker (DIN: 01115933)

We regret to report the sad demise of Dr. K.T. Krishnan(DIN:00707574), Managing Director on 30-04-2015. Dr. K.T. Krishnan was the Director from the year 1974 and Joint-Managing Director from 1999 and become

THANJAVUR SPINNING MILL LIMITED

DIRECTORS' REPORT

Managing Director since 10.11.2000. He was also Chairman of the Share transfer Committee of the Board. The Directors place on record Dr. K T Krishnan's valuable and constructive contribution in the Company during his association of 31 years with the Company.

Shri P.R.Venketrama Raja,(DIN:00331406) a Non-Executive Director of the Company has resigned from the Company with effect from 24-09-2014. The Directors place on record his valuable contribution during 14 years tenure as a director of the Company.

Pursuant to Rule 8(5)(iii) of Companies (Accounts) Rules, 2014, it is reported that, other than the above, there have been no changes in the Directors or Key Managerial Personnel during the year.

The composition of the Audit Committee is given below:

- i) Shri S.Krishnaswamy Kamaya Naicker
- ii) Shri. Sivasubramanian,
- iii) Shri S.Kanthimathinathan

Pursuant to Section 177(8) of the Companies Act, 2013, it is reported that there has not been an occasion, where the Board had not accepted any recommendation of the Audit Committee.

In accordance with Section 178(3) of the Companies Act, 2013 and based upon the recommendation of the Nomination and Remuneration Committee, the Board of Directors have approved a policy relating to appointment and remuneration of Directors, Key Managerial Personnel and Other Employees. The objective of the Nomination and Remuneration Policy is to ensure that the level and composition of remuneration is reasonable, the relationship of remuneration to performance is clear and appropriate to the long term goals of the Company.

MEETING OF THE BOARD

During the year, Five Board Meetings were convened on 25-05-2014, 03-08-2014, 24-09-2014, 10-11-2014 and 11-02-2015.

PUBLIC DEPOSITS

During the year, the Company had not accepted any deposits covered under Chapter V of the Companies Act, 2013. There was no deposits unclaimed / unpaid as on 31-03-2015. There has been no default in the repayment of deposits / payment of interest thereon during the year. The Company has no deposit, which is not in compliance with the Chapter V of the Companies Act, 2013.

ORDERS PASSED BY REGULATORS

Pursuant to Rule 8(5)(vii) of Companies (Accounts) Rules, 2014, it is reported that, no significant and material orders have been passed by the Regulators or Courts or Tribunals, impacting the going concern status and Company's operations in future.

PARTICULARS OF LOANS, GURANTEES AND INVESTMENTS

The Company has not given any loan or guarantee to any company. The particulars of investment are disclosed under Note No. 10 of Notes to financial statements.

SHARES

The Company's equity shares were listed only in Madras Stock Exchange Limited. Consequent to the voluntary exit and de-recognition of Madras Stock Exchange Limited (MSE) as a stock exchange, pursuant to Securities and Exchange Board of India (SEBI) circular dated 30th May 2012, companies exclusively listed on MSE were required to either seek listing on any other recognised stock exchange with diluted

THANJAVUR SPINNING MILL LIMITED

DIRECTORS' REPORT

listing norms or opt for voluntary delisting; or otherwise be moved to the Dissemination Board of BSE Limited (BSE) or National Stock Exchange of India Limited (NSE) where shares of such companies could be bought/ sold by following a prescribed procedure.

Since the company could not meet the diluted listing norms, it was not in a position to obtain listing in BSE or NSE. It also did not opt for voluntary de-listing. Accordingly, Madras Stock Exchange Ltd inform vide their letter dated 03.12.2014 that the company has ceased to be a listed company with MSE, and has been placed on the Dissemination Board of NSE, and NSE has allowed buying and selling of the shares of the company on the Dissemination Board with effect from 1st December 2014. The Company informed the same to the Members vide letter dated 31.12.2014.

The Company's shares are available for dematerialization both in NSDL & CDSL (Company's ISIN No. INE715M01010). The Company has already appointed M/s. Cameo Corporate Services Limited, "Subramanian Building", No. 1, Club house Road, Chennai- 600002 (Ph:044-28460390 (5 Lines) E-mail:investor@cameoindia.com) as Registrar of the Company for the Depository Services relating to both NSDL & CDSL and also for the Share Transfer Registry Services in respect of shares held in physical form.

In view of the advantages offered by the Depository System, the Members are requested to avail the facility of dematerialization of the shares held by them.

BIFR:

Due to the financial re-structuring implemented during the year, the networth of the company had become positive. The company accordingly filed a petition with the Bureau of Industrial and Financial Reconstruction (BIFR) and obtained an order dated 22nd August 2014 issued on 27.08.2014, discharging the company from the purview of BIFR/SICA.

STATUTORY AUDIT

Mr. R. Palaniappan Proprietor of M/s. N.A.Jayaraman & Co., Chartered Accountants, Chennai are the Auditors of the Company.

In the last Annual General Meeting, the above Auditors have been appointed as a statutory auditors for a period of 3 consecutive years being their remaining eligible period in terms of Rule 6 of Companies (Audit and Auditors) Rules, 2014. The matter relating to their appointment is being placed before the Members for ratification at the ensuing Annual General Meeting, in accordance with the requirements of Section 139(1) of the Companies Act, 2013.

The Auditors have confirmed their eligibility to the effect that their re-appointment if made would be within the prescribed limit under the Companies Act, 2013 and they are not disqualified for re-appointment.

The report of the Statutory Auditors for the year ended 31st March, 2015 do not contain any qualification, reservation or adverse remark.

COST AUDIT

The Cost Audit Report for the financial year 2013-14 due to be filed with Ministry of Corporate Affairs by 27-09-2014, had been filed on 26-09-2014.

Cost Audit is not applicable to the Company for the financial year 2014-15. However, MCA has amended the Companies (Cost Records and Audit) Rules, 2014 vide its notification dated 31-12-2014 and Textile Mills are required to file cost audit report with effect from the next financial year 2015-16.

The Company has appointed M/s. RKMS & Associates, Practicing Cost Accountants, as cost auditor to audit the company's cost records relating to manufacture of textile products for the year 2015-16.

THANJAVUR SPINNING MILL LIMITED

DIRECTORS' REPORT

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Pursuant to Rule 8(3) of Companies (Accounts) Rules, 2014, the information relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo is attached as Annexure - I.

EXTRACT OF ANNUAL RETURN

In Accordance with Section 92(3) of the Companies Act, 2013, read with Rule 12(1) of Companies (Management and Administration) Rules, 2014, an extract of the annual return in Form MGT-9 is attached herewith as Annexure – II.

RELATED PARTY TRANSACTION

The transaction with related part entered into by the Company are periodically placed before the Audit Committee for its approval. No transaction with the related party is material in nature, in accordance with Company's "Related Party Transaction Policy". In accordance with AS-18, the details of transactions with the related parties are set out in Note No:27 (14) of disclosures forming part of Financial Statements.

RISK MANAGEMENT POLICY

Pursuant to Section 134(3)(n) of the Companies Act, 2013, the Company has developed and implemented a Risk Management Policy. The Policy envisages identification of risk and procedures for assessment and minimization of risk thereof.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, the Directors confirm that

- (a) in the preparation of the annual accounts, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;
- (b) they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) they had prepared the Annual Accounts on a going concern basis;
- (e) they had laid down Internal Financial Controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- (f) they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ACKNOWLEDGEMENT

The Directors are grateful to the various Departments and agencies of the Central and State Governments for their help and co-operation. They are thankful to the Financial Institutions and Banks for their continued help, assistance and guidance. The Directors wish to place on record their appreciation of employees at all levels for their commitment and their contribution.

On behalf of the Board of Directors,
For THANJAVUR SPINNING MILL LIMITED,

RAJAPALAYAM,
21-05-2015.

P.R. RAMASUBRAHMANEYA RAJHA
CHAIRMAN

THANJAVUR SPINNING MILL LIMITED

ANNEXURE I TO DIRECTORS' REPORT

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

A) CONSERVATION OF ENERGY:	
(i) the steps taken on conservation of energy; Impact on conservation of energy	Optimization of plant in humidification plants. Reduction of motor rating wherever lesser loads were available. Use of Super Energy Efficient motors for plant humidification plants. Energy audit and energy conservation measures are being adopted periodically. Efficient operation of compressors. Optimisation of humidification plant had resulted in power saving of 10,000 units per annum approx.
(ii) the steps taken by the company for utilising alternate sources of energy;	Already the Company had invested on Windmills to generate green energy for their captive consumption. The total capacity of Wind Mill used in the financial year is 9 MW
(iii) the capital investment on energy conservation equipments;	NIL
B) TECHNOLOGY ABSORPTION:	
(i) the efforts made towards technology absorption and the benefits derived like product improvement, cost reduction, product development or import substitution;	The Company has installed modernized contamination detector machines at various stages of production, which effectively eliminate contamination in cotton and yarn. The Company has installed spindle monitoring system for short frame thereby minimized the waste of yarn in Ring Frames since it helps spinning operator to attend the broken end easily and quickly.
(ii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year):	
(a) the details of technology imported;	NIL
(b) the year of import;	NIL
(c) whether the technology been fully absorbed;	Not Applicable
(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and	Not Applicable
(iii) the expenditure incurred on Research and Development	Not Applicable
(C) FOREIGN EXCHANGE EARNINGS AND OUTGO:	
The Foreign Exchange earned in terms of actual inflows during the year and	Rs. 607 Lakhs
The Foreign Exchange outgo during the year in terms of actual outflows.	Rs. 39 Lakhs

THANJAVUR SPINNING MILL LIMITED

ANNEXURE II TO DIRECTORS' REPORT

Form MGT - 9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2015

[Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12 (1) of the Companies (Management and Administration) Rules, 2014].

I. REGISTRATION AND OTHER DETAILS:

1.	CIN	L17111TN1961PLC004505
2.	Registration Date	09.06.1961
3.	Name of the Company	THANJAVUR SPINNING MILL LIMITED
4.	Category / Sub-category of the Company	Public Limited Company
5.	Address of the Registered office and Contact details	"RAJAPALAYAM MILLS PREMISES" P.A.C.RAMASAMY RAJA SALAI, RAJAPALAYAM - 626 117, TAMIL NADU.
6.	Whether listed company	No
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	M/s. CAMEO CORPORATE SERVICES LIMITED SUBRAMANIAN BUILDING, No. 1, CLUB HOUSE ROAD, CHENNAI - 600 002. Phone : 044-28460390; Fax : 044-28460129 Email : investor@cameoindia.com Web : www.cameoindia.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(Business activities contributing 10% or more of the total turnover of the company):

Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
Yarn	13111	94.56%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Name and address of the Company	CIN/GNL	Holding / Subsidiary / Associate	% of Shares held	Applicable Section
- NIL -				

THANJAVUR SPINNING MILL LIMITED

ANNEXURE II TO DIRECTORS' REPORT

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2014]				No. of Shares held at the end of the year [As on 31-March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ Hindu Undivided Family	576234	384756	960990	35.59	576234	347866	924100	34.23	(1.36)
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any others	-	-	-	-	-	-	-	-	-
Sub Total (A)(1)	576234	384756	960990	35.59	576234	347866	924100	34.23	(1.36)
(2) Foreign									
a) NRIs- Individuals	-	-	-	-	-	-	-	-	-
b) Other individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) FI/ Banks	-	-	-	-	-	-	-	-	-
e) Any others	-	-	-	-	-	-	-	-	-
Sub Total (A)(2)	-	-	-	-	-	-	-	-	-
Total shareholding of Promoters (A) = A(1)+A(2)	576234	384756	960990	35.59	576234	347866	924100	34.23	(1.36)
B. Public Shareholding									
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	200	200	0.01	-	200	200	0.01	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	2398	-	2398	0.09	2398	-	2398	0.09	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	2398	200	2598	0.10	2398	200	2598	0.10	-
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	2100	6086	8186	0.30	2100	6086	8186	0.30	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	53265	564099	617364	22.87	56193	562059	618252	22.90	0.02
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	957100	153762	1110862	41.14	1011100	135764	1146864	42.48	1.34
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians	-	-	-	-	-	-	-	-	-
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	1012465	723947	1736412	64.31	1069393	703909	1773302	65.68	1.36
Total Public Shareholding (B)=(B)(1)+ (B)(2)	1014863	724147	1739010	64.41	1071791	704109	1775900	65.77	1.36
(C.) Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	1591097	1108903	2700000	100.00	1648025	1051975	2700000	100.00	-

THANJAVUR SPINNING MILL LIMITED

ANNEXURE II TO DIRECTORS' REPORT

ii) Shareholding of Promoters:

Sl. No.	Name	Shareholding at the beginning of the year 01.04.2014			Shareholding at the end of the year 31.03.2015			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Shri. P.R.RAMASUBRAHMANEYA RAJHA	441234	16.34	-	441234	16.34	-	-
2	Smt. R.SUDARSANAM	135000	5.00	-	135000	5.00	-	-
3	Smt. R.CHTTAMMAL	1422	0.05	-	1422	0.05	-	-
4	Smt. N.R.K.SETHURAMAMMAL	888	0.03	-	-	-	-	(0.03)
5	Shri. N.R.K.RAMKUMAR RAJA	400	0.01	-	400	0.01	-	-
6	Shri. S.S.RAMACHANDRA RAJA	1000	0.04	-	1000	0.04	-	-
7	Smt. K.T.RUKMANI ANNI	13600	0.50	-	13600	0.50	-	-
8	Smt. K.T.RUKMANI ANNI (Executrix to the estate of Late Shri K.Tiruvengada Mudaliar)	36002	1.33	-	-	-	-	(1.33)
9	Shri. K.T.RAMACHANDRAN	2136	0.08	-	2136	0.08	-	-
10	Shri. K.R.TIRUVENGADAM	72400	2.68	-	72400	2.68	-	-
11	Smt. K.R.RUKMANI	4222	0.16	-	4222	0.16	-	-
12	Smt. K.R.VAISHNAVI	4222	0.16	-	4222	0.16	-	-
13	Smt. K.R.SAKUNDALA DEVI	4222	0.16	-	4222	0.16	-	-
14	DR.K.T.KRISHNAN	30008	1.11	-	30008	1.11	-	-
15	Smt. ANNAPOORANI KRISHNAN	12650	0.47	-	12650	0.47	-	-
16	Dr. K.TIRUVENGADAKRISHNAN	40000	1.48	-	40000	1.48	-	-
17	MINOR K.T.HARINI BY F&G.K.TIRUVENGADAKRISHNAN	1000	0.04	-	1000	0.04	-	-
18	MINOR K.T.HARSHINI BY F&G.K.TIRUVENGADAKRISHNAN	1000	0.04	-	1000	0.04	-	-
19	Smt. K.PADMAVATHI	22600	0.84	-	22600	0.84	-	-
20	Shri. K.S.KRISHNAKUMAR	20000	0.74	-	20000	0.74	-	-
21	Mr. K.SANTHANA KRISHNAN	1100	0.04	-	1100	0.04	-	-
22	Mr. K.RAGUVIR	1200	0.04	-	1200	0.04	-	-
23	Smt. K.UMAMAHESWARI	30200	1.12	-	30200	1.12	-	-
24	Ms. P.P.HASINI	1000	0.04	-	1000	0.04	-	-
25	Shri. K.T.SRINIVASAN	282	0.01	-	282	0.01	-	-
26	Shri. K.T.KALYANAKRISHNAN	33202	1.23	-	33202	1.23	-	-
27	Smt. MEENAKSHI KALYANAKRISHNAN	6000	0.22	-	6000	0.22	-	-
28	Shri. R.SIVASUBRAMANIAN	2000	0.07	-	2000	0.07	-	-
29	Smt. S.JALAJAAMMAL	2000	0.07	-	2000	0.07	-	-
30	Shri. S.KRISHNASWAMY KAMAYA NAICKER	4000	0.15	-	4000	0.15	-	-
31	Shri. K.KUMARAN	27000	1.00	-	27000	1.00	-	-
32	Smt. V.VEERALAKSHMI	9000	0.33	-	9000	0.33	-	-
	TOTAL	960990	35.59	-	924100	34.23	-	(1.36)

THANJAVUR SPINNING MILL LIMITED

ANNEXURE II TO DIRECTORS' REPORT

iii) Change in Promoters' Shareholding:

Shareholding at the beginning (01.04.2014) / end of the year (31.03.2015)		Date	Increase / (Decrease) in Shareholdings	Reason	Cumulative Shareholding during the year 01.04.2014 to 31.03.2015	
No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
960990	35.59	01.04.2014				
		30.07.2014	(36002)	Transmission	924988	34.26
924100	34.23	10.02.2015	(888)	Transmission	924100	34.23

iv) Shareholding Pattern of Top Ten Shareholders: (Other than Directors and Promoters)

Sl. No.	Name	Shareholding at the beginning of the year (01-04-2014)		Shareholding at the end of the year (31-03-2015)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Smt. NALINA RAMALAKSHMI	270000	10.00	270000	10.00
2	Smt. SARADHA DEEPA	270000	10.00	270000	10.00
3	Mr. ABINAV RAMASUBRAMANIAM RAJA P V	213300	7.90	213300	7.90
4	Smt. NIRMALA P.V.	67500	2.50	67500	2.50
5	Smt. SRI SANDHYA P.V.	67500	2.50	67500	2.50
6	Shri. VENKETRAMA RAJA P.R.*	54000	2.00	54000	2.00
7	Shri. ANANTHARAMAKRISHNAN K S	29886	1.11	29886	1.11
8	Shri. SATHYANARAYANAN K S	29876	1.11	29876	1.11
9	Smt. DHARSHINI RAAJA DH	27000	1.00	27000	1.00
10	Smt. SRIMATHI D	27000	1.00	27000	1.00

* Shri. P.R. Venketrama Raja was a Director upto 23.09.2014.

v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name	Shareholding at the beginning of the year (01-04-2014)		Shareholding at the end of the year (31-03-2015)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Shri. RAMASUBRAHMANEYA RAJHA P R	441234	16.34	441234	16.34
2	Dr. KRISHNAN K T#	30008	1.11	30008	1.11
3	Shri. RAMACHANDRAN K T	2136	0.08	2136	0.08
4	Shri. KRISHNASWAMY KAMAYA NAICKER S	4000	0.15	4000	0.15
5	Shri. SIVASUBRAMANIAN R	2000	0.07	2000	0.07
6	Shri. KANTHIMATHINATHAN S	Nil	Nil	Nil	Nil
7	Shri. VENKATARAGHAVAN S	Nil	Nil	Nil	Nil

Shri. P.R. Venketrama Raja resigned as Director on 24.09.2014.

Dr.K.T.Krishnan expired on 30.04.2015

THANJAVUR SPINNING MILL LIMITED

ANNEXURE II TO DIRECTORS' REPORT

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment.

(Rs.in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	13,719	2,500	-	16,219
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	13,719	2,500	-	16,219
Change in Indebtedness during the financial year				
Addition	1,029	1,500	-	2,529
Reduction	4,924	2,500	-	7,424
Net Change	(3,895)	(1,000)	-	(4,895)
Indebtedness at the end of the financial year				
i) Principal Amount	9,824	1,500	-	11,324
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	9,824	1,500	-	11,324

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and / or Manager:

Sl. No.	Particulars of Remuneration	Dr. K.T. Krishnan, Managing Director	Total Amount Rs. In Lakhs
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	24.52	24.52
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961		
2	Stock Option		
3	Sweat Equity		
4	Commission - as % of profit - others, specify...		
5	Others, please specify		
	Total (A)	24.52	24.52
	Ceiling as per the Act	Managing Director remuneration is fixed at 5% of net profit of the Company and in case, no profits or inadequacy of profits, the Managing Director shall be paid the maximum remuneration as per Section II, Part II of Schedule V of the Companies Act, 2013.	

B. Remuneration to other Directors:

(Rs. in lakhs)

Sl. No.	Particulars of Remuneration	Name of Directors						Total Amount
1	Independent Directors							
	Fee for attending board committee meetings							
	Commission							
	Others, please specify							
	Total (1)							-

THANJAVUR SPINNING MILL LIMITED

ANNEXURE II TO DIRECTORS' REPORT

B. Remuneration to other Directors: (Contd.)

(Rs. in lakhs)

Sl. No.	Particulars of Remuneration	Name of Directors						Total Amount
		Shri. P.R. Ramasubrahmaneya Rajha	Shri. P.R. Venketrama Raja	Shri. K.T. Ramachandran	Shri. S. Krishnaswamy Kamaya Naicker	Shri. S. Kanthimathinathan	Shri. R. Sivasubramanian	
2	Other Non-Executive Directors							
	Fee for attending board committee meetings	0.25	0.05	0.125	0.20	0.25	0.25	1.125
	Commission							
	Others, please specify							
	Total (2)	0.25	0.05	0.125	0.20	0.25	0.25	1.125
	Total (B)=(1+2)							1.125
	Overall Ceiling as per the Act	1% of the Net Profits of the Company, calculated as per Section 198 of the Companies Act, 2013.						
	Total Managerial Remuneration (A+B)							25.645

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel	
		Shri S. Venkataraghavan Chief Financial Officer	Total (Rs. in lakhs)
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	12.05	12.05
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		
2	Stock Option		
3	Sweat Equity		
4	Commission		
	- as % of profit		
	others, specify		
5	Others, please specify		
	Total	12.05	12.05

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY Penalty Punishment Compounding			NIL		
B. DIRECTORS Penalty Punishment Compounding			NIL		
C. OTHER OFFICERS IN DEFAULT Penalty Punishment Compounding			NIL		

On behalf of the Board of Directors,
For THANJAVUR SPINNING MILL LIMITED,

RAJAPALAYAM,
21-05-2015.

P.R. RAMASUBRAHMANEYA RAJHA
CHAIRMAN

THANJAVUR SPINNING MILL LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF M/S. THANJAVUR SPINNING MILL LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of THANJAVUR SPINNING MILL LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its loss and its cash flows for the year ended on that date.

THANJAVUR SPINNING MILL LIMITED

INDEPENDENT AUDITOR'S REPORT

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report), 2015 ("the order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure, a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For N.A. JAYARAMAN & CO.
Chartered Accountants
FRN-001310S

Place : Rajapalayam
Date : 21-05-2015.

R. PALANIAPPAN
Proprietor
Membership No. 205112

THANJAVUR SPINNING MILL LIMITED

ANNEXURE TO THE AUDITOR'S REPORT

Referred to in paragraph 1 of our report of even date:

- 1) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
(b) All assets have been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
(c) During the year, the company has disposed 3 Nos of Windmill and some machineries.
- 2) (a) The inventory has been physically verified during the year by the management. In our opinion the frequency of verification is reasonable.
(b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
(c) On the basis of our examination of the records of inventory, we are of the opinion that the company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- 3) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act 2013.
- 4) In our opinion and according to the information and explanations given to us, there an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods and services. We have not observed any major weakness in the internal control system during the course of the audit.
- 5) The Company has not accepted any deposits within the meaning of Companies (Acceptance of Deposits) Rules 2014, from the public during the year.
- 6) The Company is maintaining the accounts and Cost records which have been specified by the Central Government under of Section 148(1) of the Companies Act 2013.
- 7) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, wealth tax, sales tax, value added tax, service tax, duty of customs, cess and other statutory dues were in arrears as at 31st March 2015 for a period of more than six months from the date they become payable.

(b) According to the information and explanations given to us, the amounts which were required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act 1956 (1 of 1956) and rules there under has been transferred to such fund within time.

THANJAVUR SPINNING MILL LIMITED

ANNEXURE TO THE AUDITOR'S REPORT

8. The Company has accumulated losses at the end of the financial year and has incurred cash losses in the financial year and has not incurred any cash losses in the immediately preceding financial year.
9. The company has not defaulted in repayment of dues to financial institutions or banks. The Company has not issued any debentures.
10. The company has not given guarantee for loans taken by others from banks or financial institutions.
11. The Term Loans obtained by the Company were applied for the purpose for which the loans were obtained.
12. According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the year.

For N.A. JAYARAMAN & CO.
Chartered Accountants
FRN-001310S

Place : Rajapalayam
Date : 21-05-2015.

R. PALANIAPPAN
Proprietor
Membership No. 205112

THANJAVUR SPINNING MILL LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2015

		(Rs. in Lakhs)			
	Note No.	As at 31-03-2015	As at 31-03-2014		
I EQUITY AND LIABILITIES					
(1) Shareholders' Funds					
(a) Share Capital	1	2,970.00		270.00	
(b) Reserves and Surplus	2	<u>(2,714.45)</u>	255.55	<u>(1,830.05)</u>	(1,560.05)
(2) Non Current Liabilities					
(a) Long Term Borrowings	3	2,960.98		8,898.49	
(b) Long Term Provisions	4	<u>21.24</u>	2,982.22	<u>25.07</u>	8,923.56
(3) Current Liabilities					
(a) Short Term Borrowings	5	4,186.56		3,158.09	
(b) Trade Payables	6	134.03		128.31	
(c) Other Current Liabilities	7	4,519.76		4,469.62	
(d) Short Term Provisions	8	<u>66.20</u>	8,906.55	<u>120.98</u>	7,877.00
TOTAL			<u>12,144.32</u>	<u>15,240.51</u>	
II ASSETS					
(1) Non Current Assets					
(a) Fixed Assets					
(i) Tangible Assets	9	8,455.06		10,306.61	
(ii) Intangible Assets	9	0.84		0.88	
(iii) Capital Work-in-Progress		<u>3.51</u>	8,459.41	<u>11.19</u>	10,318.68
(b) Non Current Investments	10		2.53		2.53
(c) Long term Loans & Advances	11		222.53		97.21
(d) Other Non Current Assets	12		93.96		-
(e) Deferred Tax Assets	13		812.36		297.37
(2) Current Assets					
(a) Inventories	14	1,442.41		3,372.35	
(b) Trade Receivables	15	204.04		828.53	
(c) Cash and Bank Balances	16	564.03		14.98	
(d) Short Term Loans & Advances	17	140.04		52.69	
(e) Other Current Assets	18	<u>203.01</u>	2,553.53	<u>256.17</u>	4,524.72
TOTAL			<u>12,144.32</u>	<u>15,240.51</u>	
Significant Accounting Policies	26				
Notes on Financial Statements	27				

The notes form an integral part of these financial statements

(As per our report annexed)
For N.A. JAYARAMAN & CO.,
Chartered Accountants
FRN-001310S

R. PALANIAPPAN
Proprietor
Membership No.205112

RAJAPALAYAM,
21st May, 2015.

P.R. RAMASUBRAHMANEYA RAJHA
CHAIRMAN

S. KANTHIMATHINATHAN
DIRECTOR

S. VENKATARAGHAVAN
CHIEF FINANCIAL OFFICER

THANJAVUR SPINNING MILL LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

(Rs. in Lakhs)				
Particulars	Note No.	For the year ended 31-03-2015	For the year ended 31-03-2014	
I	Revenue from Operations	19	10,479.77	15,475.96
II	Other Income	20	112.11	21.02
III	Total Revenue (I+II)		<u>10,591.88</u>	<u>15,496.98</u>
IV	EXPENSES			
	Cost of Materials Consumed	21	6,386.59	8,364.09
	Trade Purchases - Yarn		-	2,134.45
	Changes in Inventories	22	1,060.73	(563.24)
	Employee Benefit Expenses	23	723.58	1,051.28
	Finance Costs	24	1,510.84	1,679.33
	Depreciation	9	561.53	719.08
	Other Expenses	25	1,715.20	2,542.85
	Total Expenses		<u>11,958.47</u>	<u>15,927.84</u>
V	Profit / (Loss) Before Exceptional and Extraordinary items and Tax (III-IV)		(1,366.59)	(430.86)
VI	Exceptional & Extraordinary items		-	-
VII	Profit / (Loss) Before Tax (V-VI)		(1,366.59)	(430.86)
VIII	Tax Expenses			
	Deferred Tax Asset		515.00	136.00
IX	Profit / (Loss) After Tax (VII-VIII)		<u>(851.59)</u>	<u>(294.86)</u>
X	Earnings per Equity Share of Rs. 10/- each			
	Basic (in Rupees)		(39)	(11)
	Diluted (in Rupees)		(22)	(11)
	Significant Accounting Policies	26		
	Notes on Financial Statements	27		

The notes form an integral part of these financial statements

(As per our report annexed)
For N.A. JAYARAMAN & CO.,
Chartered Accountants
FRN-001310S

R. PALANIAPPAN
Proprietor
Membership No.205112

RAJAPALAYAM,
21st May, 2015.

P.R. RAMASUBRAHMANEYA RAJHA
CHAIRMAN

S. KANTHIMATHINATHAN
DIRECTOR

S. VENKATARAGHAVAN
CHIEF FINANCIAL OFFICER

THANJAVUR SPINNING MILL LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

	(Rs. in Lakhs)	
	2014-15	2013-14
A. Cash flow from Operating activities		
Net Profit/(Loss) before tax and prior period and extraordinary items	(1,366.59)	(430.86)
Adjustments for :		
Depreciation	561.53	719.08
Interest paid	1,510.84	1,679.33
Interest Received	(25.91)	(13.99)
Dividend Received	-	(0.01)
Deferred revenue expenditure written off	(93.96)	-
Profit on sale of assets	(68.56)	-
Operating Profit/(Loss) before Working capital Changes	517.35	1,953.55
Adjustments for :		
Trade Receivables	624.49	(186.40)
Loans and Advances	(158.73)	(115.20)
Inventories	1,929.94	(1,358.25)
Trade Payables & Current liabilities	(2.75)	(769.79)
Cash generated from Operations	2,910.30	(476.09)
Taxes Paid	(0.78)	(0.04)
Net Cash from / (used) in Operating activities	A 2,909.52	(476.13)
B. Cash Flow from Investing activities :		
Purchase of Fixed Assets	(12.58)	(240.37)
Purchase of Investments	-	(2.50)
Sale of assets	1,346.07	-
Interest received	25.91	13.99
Dividend received	-	0.01
Net Cash from / (used) in Investing activities	B 1,359.40	(228.87)
C. Cash Flow from Financing activities :		
Proceeds from Long Term borrowings	-	6,162.19
Issue of Preference Shares	2,700.00	-
Reduction of Long Term Loan	(5,937.50)	(3,849.69)
Increase / (Decrease) in working capital borrowings	1,028.47	74.44
Interest Paid	(1,510.84)	(1,679.33)
Net cash from / (used) in financing activities	C (3,719.87)	707.61
Net Increase/(Decrease) in Cash and Cash Equivalents	(A+B+C) 549.05	2.61
Opening balance of Cash and Cash Equivalents (Ref to Note No.16)	D 14.98	12.37
Closing balance of Cash and Cash Equivalents (Ref to Note No.16)	E 564.03	14.98
Net Increase/(Decrease) in Cash and Cash Equivalents	(E-D) 549.05	2.61

(As per our report annexed)
For N.A. JAYARAMAN & CO.,
Chartered Accountants
FRN-001310S

R. PALANIAPPAN
Proprietor
Membership No.205112

RAJAPALAYAM,
21st May, 2015.

P.R. RAMASUBRAHMANEYA RAJHA
CHAIRMAN

S. KANTHIMATHINATHAN
DIRECTOR

S. VENKATARAGHAVAN
CHIEF FINANCIAL OFFICER

THANJAVUR SPINNING MILL LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

(Rs. in Lakhs)

Particulars	As at 31st March, 2015	As at 31st March, 2014
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Note 1

SHARE CAPITAL

Authorised:

70,00,000 Equity Shares of Rs.10/- each (PY. 50,00,000 Equity Shares of Rs.10/- each)	700.00	500.00
2,50,00,000 9% Cumulative Redeemable Preference Shares of Rs.10/- each (Previous year Nil)	2,500.00	-
40,00,000 9% Cumulative Optionally Convertible Redeemable Preference Shares of Rs.10/- each (Previous year Nil)	400.00	-
	3,600.00	500.00

Issued, Subscribed and fully paid-up:

27,00,000 Equity Shares of Rs.10/- each (PY. 27,00,000 Equity Shares of Rs.10/- each)	270.00	270.00
2,50,00,000 9% Cumulative Redeemable Preference Shares of Rs.10/- each* (P.Y. - NIL)	2,500.00	-
20,00,000 9% Cumulative Optionally Convertible Redeemable Preference Shares of Rs.10/- each# (P.Y. - NIL)	200.00	-
	2,970.00	270.00

a. Issued, Subscribed and fully Paid up shares include 9,00,000 Shares of Rs. 10/- each were allotted as fully paid Bonus Shares by Capitalisation of Reserves.

b. Reconciliation of the number of shares outstanding

EQUITY SHARES

Number of shares at the beginning	27,00,000	27,00,000
Shares issued during the year	-	-
Number of Shares at the end	27,00,000	27,00,000

PREFERENCE SHARES

9% Cumulative Redeemable Preference Shares

Number of shares at the beginning	-	-
Shares issued during the year	2,50,00,000	-
Number of Shares at the end	2,50,00,000	-

9% Cumulative Optionally Convertible Redeemable Preference Shares

Number of shares at the beginning	-	-
Shares issued during the year	20,00,000	-
Number of Shares at the end	20,00,000	-

c. List of Equity Shareholders holding more than 5 percent in the Company

Particulars	As at 31st March, 2015		As at 31st March, 2014	
	No. of Shares	% of holding	No. of Shares	% of holding
Shri. P.R.Ramasubrahmaneya Rajha	4,41,234	16.34%	4,41,234	16.34%
Smt. Nalina Ramalakshmi	2,70,000	10.00%	2,70,000	10.00%
Smt. Saradha Deepa	2,70,000	10.00%	2,70,000	10.00%
Mr. P.V.Abinav Ramasubramaniam Raja	2,13,300	7.90%	2,13,300	7.90%

THANJAVUR SPINNING MILL LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

d. Preference Share Holding:

Particulars	As at 31-03-2015		As at 31-03-2014	
	No. of Shares	% of holding	No. of Shares	% of holding
9% Cumulative Redeemable Pref. Shares M/s. Rajapalayam Mills Limited	2,50,00,000	100.00%	-	-
9% Cumulative Optionally Convertible Redeemable Preference Shares Shri. P.R.Ramasubrahmaneya Rajha	20,00,000	100.00%	-	-

* The Preference shares shall be redeemable at par, within a period of 20 years from the date of their issue, either in single or multiple installments, as may be decided by the board of directors of the company.

The preference shares shall be convertible into Equity shares at the option of the holder, at the end of 18 months from the date of issue, at the rate of 1 Equity share of Rs.10/- each for every preference share held.

	(Rs. in Lakhs)	
Particulars	As at 31st March, 2015	As at 31st March, 2014

Note 2

RESERVES AND SURPLUS

Securities Premium Reserve

Opening Balance	60.00	60.00
	60.00	60.00

General Reserve

Opening Balance	(1890.05)	(1595.19)
Less : Residual Value of Assets remaining useful life is Nil [Refer to Note No. 27 (10)]	(32.81)	-
Add : Transfer from Surplus Account	(851.59)	(294.86)
	(2774.45)	(1890.05)

Surplus in the statement of profit and loss

Opening Balance	-	-
Add: Loss for the Year	(851.59)	(294.86)
Less: Transfer to General Reserve	851.59	294.86
	(2714.45)	(1830.05)

Note 3

LONG TERM BORROWINGS

Term Loan from Banks, Secured	2460.98	6398.49
Term Loan from Financial Institutions, Unsecured	500.00	-
Loan from Related Party, Unsecured (Refer to Note 27)	-	2500.00
	2960.98	8898.49

- a) Term Loan from Banks are secured by *pari-passu* first charge on the fixed assets of the Company and *pari-passu* second charge on the current assets of the Company. Loan from Axis Bank is backed by Corporate Guarantee of M/s. The Ramco Cements Ltd and all other loans are backed by Corporate Guarantee of M/s. Rajapalayam Mills Ltd.
- b) Working Capital Term Loans with Tamilnad Mercantile Bank are secured by *pari-passu* second charge on fixed and current assets of the Company.

THANJAVUR SPINNING MILL LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

	(Rs. in Lakhs)	
Particulars	As at 31-03-2015	As at 31-03-2014
c) The Term Loans from Banks and Financial Institutions are repayable in quarterly installments. The year wise repayment of Term Loans are as follows:		
Year	Amount	Amount
2014-15	-	4170.32
2015-16	4175.72	3442.10
2016-17	1912.87	1555.42
2017-18	912.65	1061.75
2018-19	119.45	266.89
2019-20	16.01	56.00
2020-21	-	8.20
	7136.70	10560.68
Less: Amount disclosed under current-liabilities“(current maturities)”	4175.72	4162.19
	2960.98	6398.49
 Note 4		
LONG TERM PROVISION		
Provision for Other Employee Benefits	21.24	25.07
 Note 5		
SHORT TERM BORROWINGS		
Secured		
Loan Repayable on Demand from Banks *	4186.56	3158.09
 * Working Capital Loans from Banks are secured by <i>pari-passu</i> first charge on the current assets and <i>pari-passu</i> second charge on the fixed assets of the Company. Loans with Canara Bank and Indian Bank are backed by Corporate Guarantee of M/s. Rajapalayam Mills Ltd. and the loan with Tamilnad Mercantile Bank is backed by Corporate Guarantee of M/s. The Ramco Cements Ltd.		
 Note 6		
TRADE PAYABLES		
Trade Payables	134.03	128.31
 Note 7		
OTHER CURRENT LIABILITIES		
Current Maturities of Long Term Debts	4175.72	4162.19
Interest Accrued but not Due on Borrowings	33.81	48.06
Unpaid Dividends	1.09	2.36
Liabilities for Other Finance	309.14	257.01
	4519.76	4469.62
 Note 8		
SHORT TERM PROVISIONS		
Provision for Employee Benefits	66.20	120.98

THANJAVUR SPINNING MILL LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

Note 9

FIXED ASSETS

(Rs. in Lakhs)

Particulars	Gross Block			Depreciation			Net Block			
	Cost as at 01-04-2014	Additions during the year	Sold / withdrawn during the year	Up to 31-03-2014	For the year	Adjustments made during the year#	Withdrawn	Up to 31-03-2015	As At 31-03-2015	As at 31-03-2014
Tangible Assets										
Land	86.03		7.26						78.77	86.03
Buildings	1865.18			345.72	52.96	17.31		415.99	1449.19	1519.46
Plant and machinery	12246.00	19.83	1679.11	4007.39	427.32	0.29	421.03	4013.97	6572.75	8238.61
Electrical machinery	687.26		25.20	262.44	74.29	10.43	13.25	333.91	328.15	424.82
Furniture & Office Equipments	46.72			32.90	3.29	4.23		40.42	6.30	13.82
Vehicles	41.40		1.47	20.76	3.02	0.20	1.25	22.73	17.20	20.64
Computer Machinery	33.94	0.43		30.71	0.61	0.35		31.67	2.70	3.23
Total - Tangible Assets	15006.53	20.26	1713.04	4699.92	561.49	32.81	435.53	4858.69	8455.06	10306.61
Intangible Assets										
Computer software	16.80			15.92	0.04	-	-	15.96	0.84	0.88
Grand Total	15023.33	20.26	1713.04	4715.84	561.53	32.81	435.53	4874.65	8455.90	10307.49
Total Tangible Assets for Previous Year	14,776.62	229.91	-	3980.95	718.98	-	-	4699.92	10306.61	10795.67
Intangible Assets for Previous year	16.80	-	-	15.82	0.10	-	-	15.92	0.88	0.98

Adjustments made during the year in Depreciation represents residual value of assets, whose remaining useful life is Nil [Refer to Note No. 27 (10)]

THANJAVUR SPINNING MILL LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	As at 31-03-2015	As at 31-03-2014
(Rs. in Lakhs)		
Note 10		
NON-CURRENT INVESTMENTS		
Shares in Thanjavur Textiles Employees' Co-operative Stores Ltd.,	0.03	0.03
Shares in M/s. Ramco Windfarms Limited	2.50	2.50
	2.53	2.53
Note 11		
LONG TERM LOANS AND ADVANCES		
Unsecured, considered good		
Security Deposits	222.53	97.21
	222.53	97.21
Note 12		
OTHER NON-CURRENT ASSETS		
Misc. Expenditure to the extent not written off	93.96	-
	93.96	-
Note 13		
DEFERRED TAX ASSETS (NET)		
Deferred Tax Liability		
Tax effect on difference between book depreciation and depreciation under the Income Tax Act, 1961	1,809.12	2,042.37
Deferred Tax Asset		
Tax effect on unabsorbed depreciation under Income Tax Act, 1961	(2,621.48)	(2,339.74)
Net Deferred Tax Assets	(812.36)	(297.37)
Note 14		
INVENTORIES		
Finished Goods	237.62	1,110.35
Raw Materials	1,094.08	1,967.91
Stores and Spares	40.33	35.71
Work-in-Process	70.38	258.38
	1,442.41	3,372.35

Mode of valuation of inventories are disclosed in Accounting Policies in Note No. 26(7).

THANJAVUR SPINNING MILL LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	As at 31-03-2015	As at 31-03-2014
(Rs. in Lakhs)		
Note 15		
TRADE RECEIVABLES		
Unsecured, considered good		
Other Trade Receivables	<u>204.04</u>	<u>828.53</u>
Note 16		
CASH AND BANK BALANCES		
Cash on Hand	1.21	1.75
Balance with Bank:		
In Current Account	560.86	8.72
In Deposit Account for Margin Money	0.87	2.15
In Unclaimed Dividend Warrant Account	<u>1.09</u>	<u>2.36</u>
	<u>564.03</u>	<u>14.98</u>
Note 17		
SHORT TERM LOANS AND ADVANCES		
Unsecured, considered good		
Advance to Suppliers	106.37	19.80
Advance Income-Tax & TDS and Refund Due	<u>33.67</u>	<u>32.89</u>
	<u>140.04</u>	<u>52.69</u>
Note 18		
OTHER CURRENT ASSETS		
Accrued Income	170.26	225.10
Prepaid Expenses	25.76	30.49
Other Current Assets	<u>6.99</u>	<u>0.58</u>
	<u>203.01</u>	<u>256.17</u>

THANJAVUR SPINNING MILL LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	For the year ended 31-03-2015		For the year ended 31-03-2014	
(Rs. in Lakhs)				
Note 19				
REVENUE FROM OPERATIONS				
Sale of Products				
Yarn	9,892.14		1,4997.79	
Waste Cotton	<u>569.45</u>		<u>349.49</u>	
		10,461.59		15,347.28
Other operating revenues				
Export Incentive		<u>18.18</u>		128.68
		<u>10,479.77</u>		<u>15,475.96</u>
Note 20				
OTHER INCOME				
Interest Received		25.91		13.99
Dividend Income		-		0.01
Miscellaneous Income		9.94		1.28
Profit on Sale of Cotton		-		5.74
Profit on Sale of Assets		68.56		-
Exchange Gain on Foreign Currency Transactions, (Net)		<u>7.70</u>		-
		<u>112.11</u>		<u>21.02</u>
Note 21				
COST OF MATERIALS CONSUMED				
Raw materials consumed				
Cotton & Cotton Waste		<u>6,386.59</u>		<u>8,364.09</u>
Note 22				
CHANGES IN INVENTORIES				
Opening stock				
Finished Goods	1,110.35		657.33	
Work-in-Process	<u>258.38</u>	1,368.73	<u>148.16</u>	805.49
Less:				
Closing Stock				
Finished Goods	237.62		1,110.35	
Work-in-Process	<u>70.38</u>	<u>308.00</u>	<u>258.38</u>	1,368.73
		<u>1,060.73</u>		<u>(563.24)</u>

THANJAVUR SPINNING MILL LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	For the year ended 31-03-2015	For the year ended 31-03-2014
(Rs. in Lakhs)		
Note 23		
EMPLOYEE BENEFIT EXPENSES		
Salaries , Wages and Bonus	580.97	833.67
Contribution to Provident and Other Funds	69.28	86.59
Staff and Labour Welfare Expenses	73.33	131.02
	<u>723.58</u>	<u>1,051.28</u>
Note 24		
FINANCE COSTS		
Interest Expenses	1,502.94	1,673.34
Other Borrowing Costs	7.90	5.99
	<u>1,510.84</u>	<u>1,679.33</u>
Note 25		
OTHER EXPENSES		
Manufacturing Expenses		
Power and Fuel (Refer to Point No. 9 of Note No.27)	670.41	1,210.05
Packing Materials	154.63	215.30
Repairs to Buildings	19.93	13.48
Repairs to Plant and Machinery	344.18	439.74
Repairs - General	22.28	29.27
Textile Processing Charges	79.12	83.18
	<u>1290.55</u>	<u>1991.02</u>
Establishment Expenses		
Managing Director's Remuneration	22.00	24.52
Rates and Taxes	35.38	31.31
Insurance	12.79	14.59
Postage and Telephone	17.89	12.81
Printing and Stationery	2.82	3.49
Travelling Expenses	7.52	7.29
Vehicle Maintenance	19.40	14.69
Directors Sitting Fees	1.13	1.03
Rent	6.61	6.30
Audit and Legal Expenses	17.64	10.85
Deferred Revenue Expenditure	22.49	-
Miscellaneous Expenses	42.04	60.32
	<u>207.71</u>	<u>187.20</u>
Selling Expenses		
Sales Commission	104.85	218.85
Export Expenses	16.78	40.99
Other Selling Expenses	95.31	104.79
	<u>216.94</u>	<u>364.63</u>
	<u>1,715.20</u>	<u>2,542.85</u>

THANJAVUR SPINNING MILL LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS

Note 26

SIGNIFICANT ACCOUNTING POLICIES:

1. Basis of preparation and presentation of financial statements

- (i) The financial statements have been prepared under the historical cost convention and in accordance with the generally accepted accounting principles in India, and in compliance of the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act 1956 and Companies Act 2013, as applicable.
- (ii) The accounting policies that are adopted in preparation of the financial statements are consistently followed in the previous year except for change in the accounting policy for depreciation, as adopted consistently by the Company.
- (iii) Pursuant to the notification of Schedule II to the Companies Act, 2013 for computation of Depreciation with effect from 01-04-2014, the Company revised the estimated useful life of its assets to align the useful life with those specified in Schedule II. The depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less 5% being its residual value. The carrying amount of the asset whose useful life as on 01-04-2014 is NIL, after retaining the residual value, is adjusted in the General Reserve.
- (iv) Assets individually costing Rs. 5,000/- or less that were fully depreciated earlier in the year of purchase, are now depreciated based on the useful life considered by the Company for the respective category of assets.
- (v) The financial statements are presented in Indian Rupees and the amounts are rounded to the nearest Lakhs with two decimals, except as stated otherwise.
- (vi) The Company generally follows mercantile system of accounting and recognizes significant items of income and expenditure on accrual basis.
- (vii) The Company has considered its operating cycle as 12 months for the purpose of Current or Non-current classification of assets and liabilities.
- (viii) The previous year figures are regrouped / restated wherever necessary.

2. Use of Estimates

The preparation of financial statements in accordance with the generally accepted accounting principles requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates in the future periods. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognized prospectively in current and future periods.

3. Tangible Fixed Assets

- (i) Tangible Fixed Assets are stated at cost of acquisition (net of CENVAT/VAT wherever applicable) less accumulated depreciation/amortization and impairment losses if any, except freehold land which is carried at cost less impairment losses if any. The cost comprises purchase price, borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the asset beyond its previously assessed standard of performance. All other expenses on fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.
 - (ii) Fixed assets acquired in full or part exchange for another asset are recorded at the fair market value or the net book value of the asset given up, adjusted for any balancing cash transaction. Fair market value is determined either for the assets acquired or asset given up, whichever is more clearly evident.
 - (iii) Gains or losses arising from disposal of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of such assets are recognised in the statement of profit and loss.
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THANJAVUR SPINNING MILL LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS

- (iv) Projects / tangible fixed assets which are not yet ready for their intended use are carried at cost, including related expenses and attributable interest are recognised as "Capital Work-in-Progress".

4. Intangible Assets

The costs of computer software that are installed are accounted at cost of acquisition of such software and are carried at cost less accumulated amortisation and impairment, if any. Internally generated software is not capitalized and the expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

5. Investments

All Investments being long term & non-trade are stated at cost less permanent diminution in value, if any.

6. Investment Property

- (i) An investment in land or buildings, which is not intended to be occupied substantially for use by, or in the operations of the Company, is classified as investment property. Investment properties are stated at cost, net of accumulated depreciation and accumulated impairment loss if any.
- (ii) Depreciation on building component of investment property, which are held for rental to others, is calculated on straight-line basis using the rate prescribed under Schedule II to the Companies Act, 2013.
- (iii) Gains or losses arising from disposal of investment properties are measured as the difference between the net disposal proceeds and the carrying amount of such investment properties are recognised in the statement of profit and loss.

7. Inventories

- (i) Raw materials, stores, spares, packing materials etc., are valued at cost including the cost incurred in bringing the inventories to their present location and condition.
- (ii) Work-in-progress is valued at cost including the cost of conversion. The cost of conversion includes direct costs.
- (iii) Finished goods are valued at cost or net realisable value whichever is lower. Cost includes cost of conversion and other costs incurred in bringing the inventory to their present location and condition.

8. Revenue recognition

- i) Revenue is recognised to the extent that is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.
 - ii) Sale of products is recognised when the significant risks and rewards of ownership of the goods have been passed to the buyer. Sale value excludes Excise duty, Education Cess, Secondary and Higher education cess, trade discounts, VAT /CST and returns.
 - iii) Industrial Promotion Assistance (IPA) is recognised when the Company's right to receive the same is established with reasonable certainty.
 - iv) Power generated from Wind Mills:
The monetary value of the power generated at wind farms that are consumed at Mills under wheeling and banking arrangement with TANGEDCO are not treated as revenue but have been set off against the cost of Power & Fuel. The value of unadjusted units available if any, at the end of the financial year and sold to the Electricity Board at an agreed rate / Tariff rate are recognized and shown as Income from Wind Mills.
 - v) Dividend income is recognised when the Company's right to receive dividend is established by the reporting date.
 - vi) Interest income is recognised on time proportion basis.
 - vii) Scrap Sales does not include Excise duty, Education Cess, Secondary and Higher education cess, VAT / CST.
 - viii) Exports incentive are recognised on accrual basis against goods exported.
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THANJAVUR SPINNING MILL LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS

9. Employee Benefits

- (i) Short-term employee benefit viz., Salaries and Wages, are recognized as an expense at the undiscounted amount in the statement of profit and loss for the year in which the related service is rendered.
- (ii) Defined Contribution plan viz., Contributions to Provident Fund and Superannuation Fund are recognized as an expense in the statement of Profit and Loss for the year in which the employees have rendered services.
- (iii) The Company contributes to Provident Fund administered by the Government on a monthly basis at 12% of employee's basic salary.
- (iv) The Company also contributes for superannuation a sum equivalent to 15% of the employee's eligible annual basic salary subject to a maximum of Rs. 1 Lakh per employee to Funds administered by trustees and managed by LIC of India.
- (v) Payments made under Volunteer Retirement Scheme for unit 1 workers during the year amounts to Rs. 117 Lakhs has been included as Deferred Revenue Expenditure and are proposed to be amortised over a period of 5 years.

There are no other obligations other than the above defined contribution plans.

(vi) **Defined Benefit Plan:**

Gratuity:

The Company has approved Gratuity Fund. It is in the form of lump sum payments to vested employees on resignation, retirement, death while in employment or on termination of employment of an amount equivalent to 15 Day's basic salary payable for each completed year of service. Vesting occurs upon completion of five years of continuous service. The Company makes annual contributions to Funds administered by trustees and managed by LIC of India, based on the actuarial valuation by an independent external actuary as at the Balance sheet date using the projected unit credit method.

Leave Encashment:

The Company has a policy of allowing encashment of unavailed leave for its employees. The expense is recognized at the present value of the amount payable determined based on an independent external actuarial valuation as at the balance sheet date, using projected unit credit method.

10. Provision, Contingent Liabilities and Contingent Assets

- (i) Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources embodying economic benefits in respect of which a reliable estimate can be made. Such provisions are not discounted to their present value except relating to retirement benefits. These provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates.
- (ii) Un-provided contingent liabilities are disclosed in the financial statements. Contingent Assets are neither recognized nor disclosed in the financial statements.
- (iii) Insurance claims are accounted for on the basis of claims admitted or expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

11. Borrowing Costs

- (i) Borrowing cost include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan.
- (ii) Borrowing costs that are directly attributable to the acquisition and construction of qualifying assets are capitalized as part of the cost of those assets upto the date of capitalization of such asset.

THANJAVUR SPINNING MILL LIMITED

12. Government Subsidy / Grant

- (i) Revenue related grants are recognised on accrual basis wherever there is reasonable assurance that the grant will be received and all attaching conditions will be complied with.
- (ii) Interest subsidy under Technology Up-gradation Fund Scheme (TUFS) is recognised on accrual basis and credited to the Finance cost.

13. Foreign Currency Transactions

- (i) Transactions in Foreign Currency are accounted at the exchange rates prevailing at the time of transaction. The difference in exchange rates arising on the settlement of monetary items are recognized as income or expenses in the Statement of Profit and Loss.
- (ii) Monetary Assets and Liabilities in foreign currencies that are covered under a forward contract are accounted at the rate at which they have been covered. Uncovered Monetary Assets and liabilities in foreign currencies are accounted at the rates as on the Balance Sheet date. The exchange difference on account of this is recognized in the Statement of Profit and Loss.
- (iii) The difference between the forward rate and the exchange rate at the inception of a forward exchange contract is recognized as income or expense over the life of contract. Any profit or loss arising on cancellation or renewal of such forward exchange contract is recognized as income or expense in the period in which such cancellation or renewal is made.

14. Earnings per share

Basic EPS and Diluted EPS are calculated as stipulated in Accounting Standard - 20 (Earnings per share).

15. Income tax

- (i) The tax provision is considered as stipulated in Accounting Standard-22 (Accounting for Taxes on income) and includes current and deferred tax liability.
- (ii) Deferred tax is recognized on timing difference between taxable income and the accounting income that originates in one period and is capable of reversal in one or more subsequent periods. It is measured using the tax rates and the tax laws enacted or substantively enacted as the reporting date.
- (iii) Deferred tax relating to items directly recognized in reserves, is recognized in reserves and not in the Statement of Profit and Loss.

16. Segment Reporting

- (i) The company prepares its segment information in conformity with accounting policies adopted for preparing and presenting the financial statements of the company as a whole.
- (ii) The Company identifies business segment as the primary segment. Under the primary segment, there are two reportable segments viz., Textiles and Power generation from Windmills.
- (iii) Segments were identified considering the nature of the products, the differing risks and returns as per Accounting Standard -17 (Segment Reporting). The inter-segment transfers of units of power from windmills are recognized at the applicable tariff rates of the electricity boards for the purpose of segment reporting as per the relevant accounting standard.
- (iv) Costs are allocated to the respective segment based upon the actual incidence of respective cost. Unallocated items include general other income and expenses which are not allocated to any business segment.

17. Impairment of Assets

- (i) The carrying values of tangible assets, cash generating units and intangible assets at each balance sheet date are reviewed for impairment if any indication of impairment exists.

THANJAVUR SPINNING MILL LIMITED

- (ii) Tangible asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value. The intangible assets are treated as impaired when the asset is not available for use.

18. Cash flow statement

- (i) Cash flows are presented using indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flow from operating, investing and financing activities of the company is segregated based on the available information.
- (ii) Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances, highly liquid investments that are readily convertible into cash.

19. Depreciation & Amortization

- (i) Depreciation has been provided for Tangible assets on straight-line basis as per the useful life prescribed in Schedule II to the Companies Act, 2013. Till 31-03-2014, the Company had followed Straight Line / Written down value method of depreciation for various categories of Fixed Assets in accordance with rates specified under Schedule XIV of the Companies Act, 1956. Hence there is a change in method of charging depreciation. The impact of the change has been disclosed in Note No. 27(10).
- (ii) Intangible assets are amortized over their estimated useful life on straight line method. This is included under "Depreciation & Amortization".
- (iii) The estimated useful life of the intangible assets and the amortization period are reviewed at the end of each financial year to reflect the changed pattern, if any.

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NOTES FORMING PART OF FINANCIAL STATEMENTS

Note 27	(Rs. in Lakhs)	
OTHER DISCLOSURES	As at 31-03-2015	As at 31-03-2014
1. Contingent Liabilities		
Liability on Letter of Credit opened		
Capital Goods	Nil	Nil
Others	Nil	Nil
2. Commitments		
(i) Estimated amount of contracts remaining to be executed on capital account not provided	NIL	NIL
(ii) Other Commitments:		
Liability on guarantees given to the Bankers	NIL	NIL
3. Sales Tax Assessment upto year ended 31st March, 2014 has been completed.		
4. Income Tax Assessment have been completed upto the Accounting Year ended 31st March, 2012 i.e. Assessment Year 2012-13.		
5. In respect of Electricity matters, Appeals / Writ petition are pending with TNERC / APTEL / High Court for various matters for which no provision has been made in the books of accounts to the extent of Rs.133.08 (P.Y. Rs. 70.83 Lakhs). In the opinion of the management, there may not be any tax liability on the above matters.		
6. Auditors' remuneration (excluding Service Tax) & expenses:		
<u>A. Statutory Auditors:</u>		
a. As Auditors		
- Fees	0.75	0.75
b. In other Capacities		
- Tax Audit Fees	0.40	0.40
- Expenses reimbursed	0.48	0.64
- VAT Audit Fees	0.30	0.30
- Certification Work Fees	0.87	0.39
	2.80	2.48
<u>B. Cost Auditors:</u>		
As Auditors - Fees	-	0.42
	2.80	2.90
7. Madras Stock Exchange Ltd (MSE) inform vide their letter dated 03.12.2014 that the company has ceased to be a listed company with MSE, and has been placed on the Dissemination Board of National Stock Exchange Ltd (NSE). The Company has paid all dues without fail during the year.		
8. There are no dues to micro, small and medium enterprises / small scale enterprises as at 31-03-2015 (PY: NIL). This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.		
9.		
a. The value of power generated from windmills are adjusted against own consumption at the Mills (captive consumption) of Rs.802.25 Lakhs (PY:Rs.813.26 Lakhs) have been set-off against cost of "Power and Fuel".		
b. The unadjusted units generated from the Windmills as on 31-03-2015 are 2.84 Lakhs KWH (PY 5.99 Lakhs KWH) and its monetary value of Rs. 16.42 Lakhs (PY Rs. 34.60 Lakhs) has been included in Other Current Assets, which will be adjusted in the forthcoming months.		

THANJAVUR SPINNING MILL LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

(Rs. in Lakhs)

10. Till 31-03-2014, the Company had followed Straight Line / Written down value method of depreciation for various categories of Fixed Assets in accordance with rates specified under Schedule XIV of the Companies Act, 1956 prevailing at the time of acquisition of assets. Pursuant to implementation of Schedule II of the Companies Act, 2013 with effect from 01-04-2014, the Company has calculated the depreciation on all the assets under Straight Line Method. Accordingly:-

- a. The value of assets whose useful life is exhausted as on 01-04-2014, as per the new Act, amounting to Rs. 32.81 Lakhs had been credited to the Depreciation Reserves and has been adjusted in General Reserve.
- b. The depreciation provided for the year ended 31-03-2015 is lower by Rs. 171 Lakhs when compared to the calculation of depreciation under the Companies Act, 1956.

11. As per Accounting Standard -15 (Revised 2005) "Employee Benefits", the disclosures of employee benefits as defined in the Accounting Standard are given below:

Defined Contribution Plan:	2014-15	2013-14
Employer's Contribution to Provident Fund	37.64	51.02
Employer's Contribution to Superannuation Fund	3.04	1.79

Details of the post retirement gratuity plan (Funded) are as follows:

Reconciliation of opening and closing balances of defined benefit plan:

Defined Benefit Obligation as on 01-04-2014	92.29	113.38
Current Service Cost	5.20	7.07
Interest Cost	2.69	9.83
Actuarial (gain) / loss	36.19	(-)27.32
Benefits paid	(-)115.55	(-)10.67
Defined Benefit obligation as on 31-03-2015	20.83	92.29

Reconciliation of opening and closing balances of fair value of plan assets:

Fair value of plan assets as on 01-04-2014	144.31	137.56
Expected return on plan assets	7.94	11.81
Actuarial gain / (loss)	(-)3.82	0.19
Employer Contribution	8.33	5.42
Benefits paid	(-)115.55	(-)10.67
Fair value of plan assets as on 31-03-2015	41.21	144.31

Actual Return of plan assets:

Expected return of plan assets	7.94	11.81
Actuarial gain / (loss) on plan assets	(-)3.82	0.19
Actual return on plan assets	4.12	12.00

Reconciliation of fair value of assets and obligations:

Fair value of plan assets	41.21	144.31
Present value of obligation	20.83	92.29
Difference	(-)20.38	(-)52.01
Unrecognized transitional liability	NIL	NIL
Amount recognized in Balance Sheet	NIL	NIL

THANJAVUR SPINNING MILL LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS

	(Rs. in Lakhs)	
	2014-15	2013-14
Expense recognized during the year:		
Current Service Cost	5.20	7.07
Interest Cost	2.69	9.83
Expected return on plan assets	(-)7.94	(-)11.81
Actuarial (gain) / loss	40.01	(-)27.52
Past service cost-non-vested benefits	NIL	NIL
Past service cost-vested benefits	NIL	NIL
Net Cost	39.97	(-)22.42
Investment Details:		
GOI Securities	NIL	NIL
State Government Securities	NIL	NIL
High Quality Corporate Bonds	NIL	NIL
Funds with LIC	100%	100%
Bank balance	NIL	NIL
Others	NIL	NIL
Total	100%	100.00%
Actuarial assumptions:		
Indian Assured Lives (2006-08) Ultimate Table applied for Service Mortality rate	Yes	Yes
Discount rate p.a	7.80%	9.10%
Expected rate of return on plan assets p.a	8.75%	8.75%
Rate of escalation in salary p.a	4.00%	4.00%
Details of Leave encashment plan (Unfunded) are as follows:		
Reconciliation of opening and closing balances of Obligation:		
Defined Benefit Obligation as on 01-04-2014	25.07	20.93
Current Service Cost	4.22	5.26
Interest Cost	1.62	1.37
Actuarial (gain) / loss	4.94	5.96
Benefits paid	(-)14.61	(-)8.46
Defined Benefit obligation as on 31-03-2015	21.24	25.07
Reconciliation of opening and closing balances of fair value of plan assets:		
Fair value of plan assets as on 01-04-2014	NIL	NIL
Expected return on plan assets	NIL	NIL
Actuarial gain / (loss)	NIL	NIL
Employer Contribution	14.61	8.46
Benefits paid	(-)14.61	(-)8.46
Fair value of plan assets as on 31-03-2015	NIL	NIL

THANJAVUR SPINNING MILL LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

	(Rs. in Lakhs)	
	2014-15	2013-14
Actual Return of plan assets:		
Expected return of plan assets	NIL	NIL
Actuarial gain / (loss) on plan assets	NIL	NIL
Actual return on plan assets	NIL	NIL
Reconciliation of fair value of assets and obligations:		
Fair value of plan assets	NIL	NIL
Present value of obligation	21.23	25.07
Difference	21.23	25.07
Unrecognized transitional liability	NIL	NIL
Amount recognized in Balance Sheet	21.23	25.07
Expense recognized during the year:		
Current Service Cost	4.22	5.26
Interest Cost	1.62	1.37
Expected return on plan assets	NIL	NIL
Actuarial (gain) / loss	4.94	5.96
Past service cost-non-vested benefits	NIL	NIL
Past service cost-vested benefits	NIL	NIL
Net Cost	10.78	12.59
Investment Details as on 31-03-2015:		
GOI Securities	NIL	NIL
State Government Securities	NIL	NIL
High Quality Corporate Bonds	NIL	NIL
Funds with LIC	NIL	NIL
Bank balance	NIL	NIL
Others	NIL	NIL
Total	NIL	NIL
Actuarial assumptions:		
Indian Assured Lives (2006-08) Ultimate Table applied for Service Mortality rate	Yes	Yes
Discount rate p.a	7.80%	9.10%
Expected rate of return on plan assets p.a	NIL	NIL
Rate of escalation in salary p.a	4.00%	4.00%

THANJAVUR SPINNING MILL LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

12. Segment Information for the year ended 31st March, 2015:

(Rs. in Lakhs)

Particulars	Textiles		Power from Windmills		Total	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
REVENUE						
External Sales(Net)	10479.77	15475.95	-	-	10479.77	15475.95
Inter Segment Sale	-	-	802.25	813.26	802.25	813.26
Total Sales	10479.77	15475.95	802.25	813.26	11282.02	16289.21
Other Income	112.18	21.01	-	-	112.18	21.01
Total Revenue	10591.95	15496.96	802.25	813.26	11394.20	16310.22
RESULT						
Segment Result	(1647.23)	(568.74)	254.73	123.89	(1392.50)	(444.85)
Unallocated Income					25.91	13.99
Unallocated Expenses					-	-
Operating Profit					(1366.59)	(430.86)
Interest Expenses					1510.84	1679.33
Depreciation					561.53	719.08
Interest Income					25.91	13.99
Current Tax-MAT					-	-
Deferred Tax Asset					(515.00)	(136.00)
Profit from ordinary activities					(851.59)	(294.86)
Extraordinary Expenses					-	-
Net Profit / (Loss)					(851.59)	(294.86)
OTHER INFORMATION						
Segment Assets	9952.56	12081.86	1379.40	2861.27	11331.96	14943.13
Unallocated Assets					812.36	297.36
Total Assets					12144.32	15240.49
Segment Liabilities	11334.58	15126.99	554.19	1673.54	11888.77	16800.53
Unallocated Liabilities						
Total Liabilities					11888.77	16800.53
Capital Expenditure	20.26	229.91	-	-	20.26	229.91
Unallocated Capital Expenditure	-	-	-	-	-	-
Depreciation	398.71	496.21	162.82	222.87	561.53	719.08
Unallocated Depreciation	-	-	-	-	-	-
Non-Cash expenses other than depreciation	-	-	-	-	-	-

THANJAVUR SPINNING MILL LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

13. Earnings per Share

Particulars	2014-15	2013-14
Net Loss after tax (A)-Rs.in Lakhs	(851.59)	(294.85)
Number of Equity shares (B) (in Nos)	27,00,000	27,00,000
Basic earnings per share (in Rupees)	(39)	(11)
Diluted earnings per share (in Rupees)	(22)	(11)

14. RELATED PARTY TRANSACTIONS

As per Accounting Standard-18 (Related Party Disclosures) issued by the Institute of Chartered Accountants of India, the Company's related parties are given below:

a. Key Management Personnel & Relatives.

Shri. P.R. Ramasubrahmaneya Rajha, Chairman
 Dr. K.T. Krishnan, Managing Director

b. Enterprises over which the above persons exercise significant influences and with which the Company had transactions during the year:

M/s. The Ramco Cements Limited.,
 M/s. Rajapalayam Mills Ltd.,
 M/s. Sri Vishnu Shankar Mill Ltd.,
 M/s. Ramco Industries Ltd.,
 M/s. Sandhya Spinning Mill Ltd.,
 M/s. The Ramaraju Surgical Cotton Mills Ltd.,
 M/s. Ramco Systems Ltd.,
 M/s. Sri Harini Textiles Ltd.,
 M/s. Rajapalayam Textiles Limited
 M/s. Ramco Windfarms Limited.,

The Company's transactions with the above Related Parties are summarized below:

a) Amount paid to Key Managerial Personnel: (Rs. in Lakhs)

Name of the Related Party	Amount		Nature of Payment
	2014-15	2013-14	
Shri. P.R. Ramasubrahmaneya Rajha	0.25	0.20	Sitting Fees
Dr. K.T.Krishnan	24.52	24.52	Managerial Remuneration

(b) Inter Corporate Deposits Accepted: (Rs.in Lakhs)

Name of the Related Party	Maximum Outstanding		Outstanding as on	
	2014-15	2013-14	31-03-2015	31-03-2014
M/s. Rajapalayam Mills Limited	2500	2500	NIL	2500

Interest paid on Inter Corporate Deposits

Name of the Related Party	Interest		Outstanding as on	
	2014-15	2013-14	31-03-2015	31-03-2014
M/s. Rajapalayam Mills Limited	83.63	89.21	NIL	NIL

THANJAVUR SPINNING MILL LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

(Rs. in Lakhs)

(c) Goods Supplied / Services Rendered:

Name of the Related Party	Value		Outstanding as on	
	2014-15	2013-14	31-03-2015	31-03-2014
M/s. Rajapalayam Mills Limited	1740.84	257.94	NIL	NIL
M/s. Ramco Industries Limited	298.41	257.41	NIL	NIL
M/s. The Ramaraju Surgical Cotton Mills Limited	702.08	94.66	NIL	NIL
M/s. Rajapalayam Textiles Limited	36.62	-	NIL	NIL
M/s. Sandhya Spinning Mill Limited	203.37	118.14	NIL	NIL
M/s. Sri Vishnu Shankar Mill Limited	472.99	307.73	NIL	NIL
M/s. Sri Harini Textiles Limited	107.06	165.02	NIL	NIL

(d) Goods Purchased / Services Availed:

Name of the Related Party	Value		Outstanding as on	
	2014-15	2013-14	31-03-2015	31-03-2014
M/s. Rajapalayam Mills Limited	90.64	1313.52	NIL	NIL
M/s. Ramco Industries Limited	362.54	411.93	NIL	NIL
M/s. Sri Vishnu Shankar Mill Limited	4.34	595.65	NIL	NIL
M/s. Sandhya Spinning Mill Limited	-	112.55	NIL	NIL
M/s. The Ramaraju Surgical Cotton Mills Limited	88.69	58.83	NIL	NIL
M/s. Ramco Windfarms Limited	88.11	-	NIL	NIL
M/s. The Ramco Cements Limited	92.97	291.98	NIL	NIL
M/s. Ramco Systems Limited	6.16	4.01	NIL	NIL

(e) Corporate Guarantee availed:

Name of the Related Party	Guarantee Amount as on	
	31-03-2015	31-03-2014
M/s. Rajapalayam Mills Limited	11756	11075
M/s. The Ramco Cements Limited	6800	8300

THANJAVUR SPINNING MILL LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

(Rs. in Lakhs)

15. Other Additional information pursuant to the Schedule III of the Companies Act, 2013.

(a) Value of Imports calculated on CIF Value :

	2014-15	2013-14
Raw Materials	-	138.37
Components and Spares	5.07	35.40
Capital Goods	-	-

(b) Expenditure in Foreign Exchange during the year :

Export Sales Commission	36.23	26.45
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(c) Value of Raw Materials, Stores & Spare parts consumed

	2014-15		2013-14	
	Rs.	%	Rs.	%
Raw Materials				
Imported	-	-	138.37	2
Indigenous	6,386.59	100	8,225.72	98
Spares and Components				
Imported	3.38	1	35.40	6
Indigenous	434.61	99	530.15	94

(d) Earnings in Foreign exchange (FOB Value)

	2014-15	2013-14
Export on Yarn	607	2949

(Signatures to Schedules 1 to 27)

(As per our report annexed)
For N.A. JAYARAMAN & CO.,
Chartered Accountants
FRN-001310S

R. PALANIAPPAN
Proprietor
Membership No.205112
RAJAPALAYAM,
21st May, 2015.

P.R. RAMASUBRAHMANEYA RAJHA
CHAIRMAN

S. KANTHIMATHINATHAN
DIRECTOR

S. VENKATARAGHAVAN
CHIEF FINANCIAL OFFICER

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

THANJAVUR SPINNING MILL LIMITED

CIN : L17111TN1961PLC004505

Regd. Office: Rajapalayam Mills Premises, P.A.C. Ramasamy Raja Salai, Rajapalayam - 626 117, Tamil Nadu

Name of the Member(s) :

Registered address :

E-mail ID :

Folio No./DP ID-Client ID:

I/We, being the member(s) of shares of the above named Company, hereby appoint

1. Name : Address :

E-mail ID : Signature :, or failing him

2. Name : Address :

E-mail ID : Signature :, or failing him

3. Name : Address :

E-mail ID: Signature :

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 53rd Annual General Meeting of the Company, to be held on Wednesday, the 12th August, 2015 at 11.30 A.M. at P.A.C.Ramasamy Raja Centenary Community Hall, Sudarsan Gardens, P.A.C. Ramasamy Raja Salai, Rajapalayam - 626 108, Tamil Nadu and at any adjournment thereof in respect of such resolutions as are indicated below :

Resolution No.	Resolutions
	Ordinary Business:
1	Adoption of Financial Statements for the year ended 31st March, 2015.
2	Appointment of Shri P.R. Ramasubrahmaneya Rajha as Director, who retires by rotation.
3	Appointment of Shri S. Krishnaswamy Kamaya Naicker as Director, who retires by rotation.
4	Ratification of Appointment of Shri R. Palaniappan, Prop. M/s. N.A. Jayaraman & Co., Chartered Accountants as Auditors.
	Special Business:
5	Ratification of fee payable to M/s. RKMS & Associates, Cost Accountants, appointed as Cost Auditor of the Company for the financial year 2015-16.

Signed this day of 2015

Signature of Shareholder :

Signature of Proxy holder(s) :

Note : This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

Affix
Revenue
Stamp





Our Managing Director with employees during Founders' day Celebration.

