

THANJAVUR SPINNING MILL LIMITED



FIFTY SEVENTH ANNUAL REPORT AND ACCOUNTS

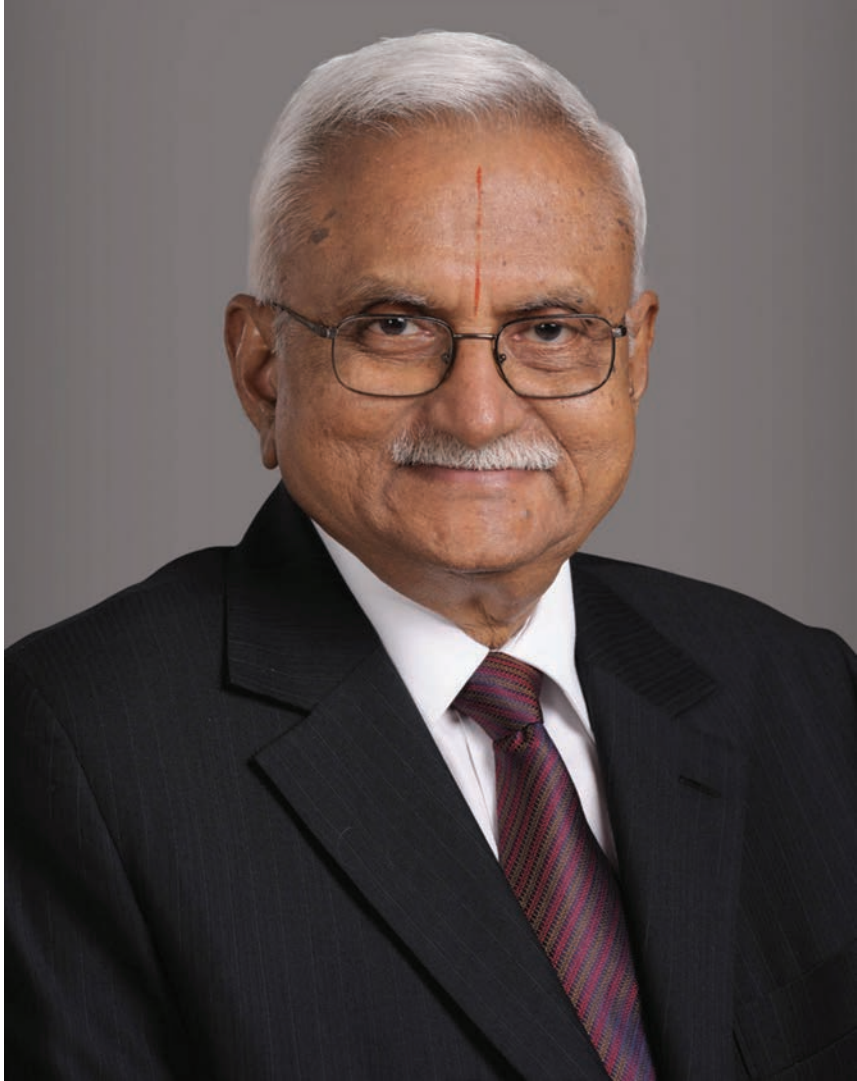
2018 - 2019



SHRI. K. TIRUVENGADA MUDALIAR
Founder



SHRI P.A.C. RAMASAMY RAJA



"Gurubakthamani"
SHRI P.R. RAMASUBRAHMANEYA RAJHA
Sridharmarakshakar - Ramco Group



THANJAVUR SPINNING MILL LIMITED

BOARD OF DIRECTORS

Shri P.R. VENKETRAMA RAJA, B.Tech., M.B.A
Chairman (Upto 15-05-2018)

Shri S. KANTHIMATHINATHAN, M.Sc. (Tech)

Shri P.J. RAMKUMAR RAJHA, B.Com.

Shri P.A.S. KRISHNAMA RAJA, B.Com.

Auditors

M/s. M.S.Jagannathan &
N.Krishnaswami,
Chartered Accountants,
No.5, GF, Abirami Apartments,
14, VOC Road, Contonment,
Trichy - 620 001

Chief Executive Officer

Shri S. Muthusamy

Chief Financial Officer

Shri G. Ramachandran

Company Secretary

Shri A. Karthiswaran

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

U17111TN1961PLC004505

Factory

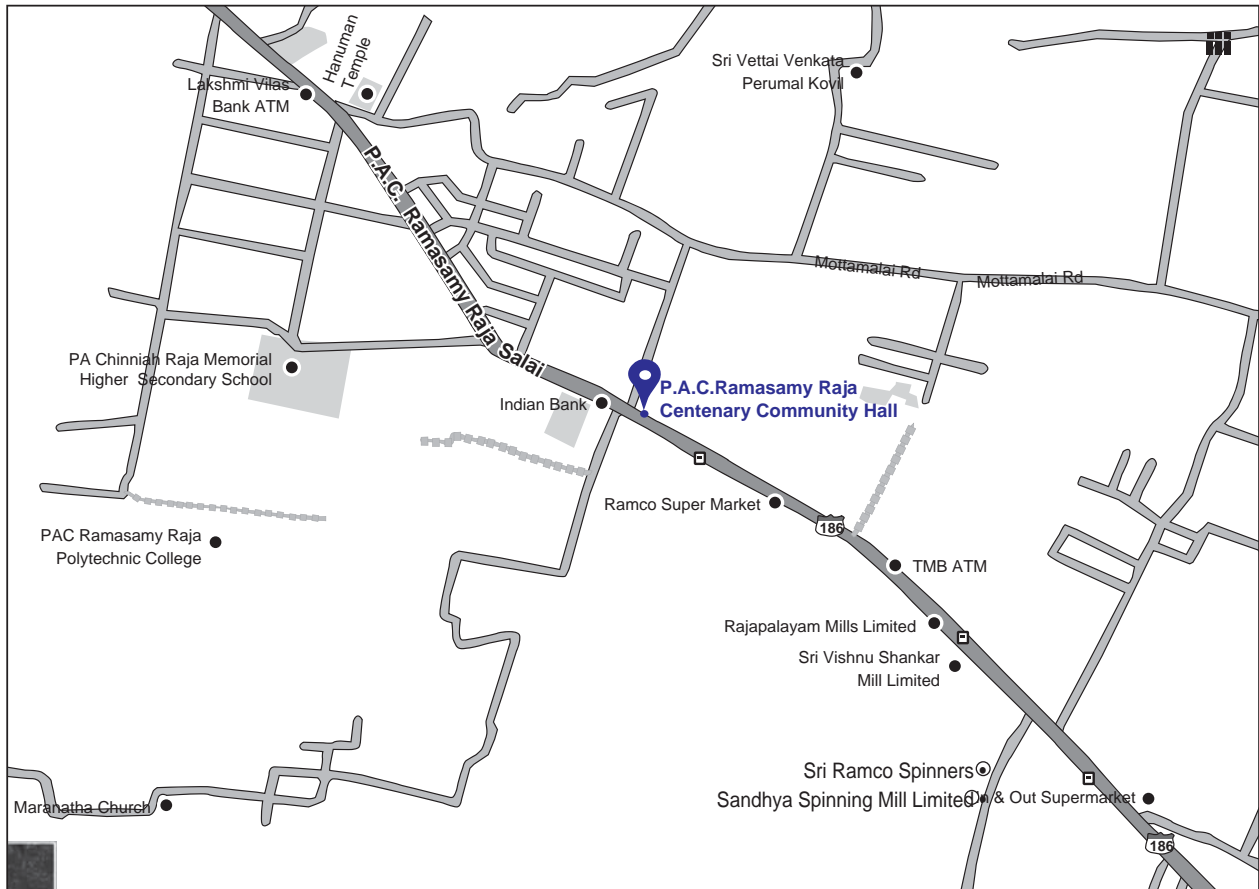
Vallam One Road,
Thanjavur - 613 005, Tamil Nadu.

THANJAVUR SPINNING MILL LIMITED

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Map Showing location of venue of 57th Annual General Meeting
Venue Address : P.A.C. Ramasamy Raja Centenary Community Hall, Sudarsan Gardens,
P.A.C. Ramasamy Raja Salai, Rajapalayam - 626 108, Tamil Nadu



Land Mark : Near Indian Bank, P.A.C.R. Polytechnic College Branch

Distance from Rajapalayam Bus Stand : 3.5 KM; Distance from Rajapalayam Railway Station : 3.9 KM.

THANJAVUR SPINNING MILL LIMITED

NOTICE TO THE MEMBERS

Notice is hereby given that the 57th Annual General Meeting of the Company will be held at 11.30 A.M on Wednesday, the 14th August, 2019 at P.A.C. Ramasamy Raja Centenary Community Hall, Sudarsan Garden, 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, 2019, 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. S. Kanthimathinathan, (DIN: 01124581), who retires by rotation, be and is hereby re-appointed as Director of the Company.”

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

RAJAPALAYAM,
28th May, 2019.

S. KANTHIMATHINATHAN
Chairman of the Meeting

NOTES:

1. **A Member entitled to attend and vote is entitled to appoint a Proxy to attend and vote instead of himself and that the Proxy need not be a Member.**
2. 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 the commencement of the Meeting. Proxies submitted on behalf of the companies, societies, etc., must be supported by an appropriate resolution/authority, as applicable. Attendance Slip is attached. Members, Proxies and Authorised Signatories are requested to bring the duly filled-in and signed, attendance slips to the Meeting.
3. The cut-off date will be Thursday, the 08th August, 2019 for determining the eligibility to vote by remote e-voting or in General Meeting.
4. Electronic copy of the Notice for the Annual General Meeting and the Annual Report for the financial year 2018-19 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

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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.

5. 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 of dematerialised Shares. Members are also requested to provide their Unique Identification Number and PAN (CIN in the case of Corporate Members) to the Company / Share Transfer Agent / Depository Participants.
6. A Route map with prominent Landmark for easy location of the venue of the meeting is given with this notice as per the requirement of Clause No. 1.2.4 of the Secretarial Standard - 2 on "General Meetings".
7. 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 remote e-voting facility to exercise their right to vote at the 57th Annual General Meeting (AGM) and the business may be transacted through 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 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 tab.
- iii) 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.
- iv) Next enter the Captcha Code as displayed and Click on Login.

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v) 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:

- (a) Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders).

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 of the Folio No. / Client ID in the PAN field.

In case the Folio No is less than 8 digits, enter the applicable number of 0's before the Folio No. to make it 8 digits after the first two characters of the name in CAPITAL letters. Eg. If your name is R.Murugan with folio number 1 then enter RM00000001 in the PAN Field.

- (b) Please enter any one of the following details in order to login:

Date of Birth: Enter the Date of Birth as recorded in your demat account or in the Company in dd/mm/yyyy format.

Dividend Bank Details: Please enter Dividend Bank Details as recorded in your demat account or in the Company records.

If both of the above details are not recorded with the depository or Company, please enter the user ID [mentioned in iii above] in the Dividend Bank details field.

- vi) Members holding shares in physical form will then directly reach the Company selection screen. However, Members holding shares in demat form will now reach 'Password Creation' 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 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.
- vii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- viii) Click on the relevant EVSN for THANJAVUR SPINNING MILL LIMITED on which you choose to vote.

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- ix) 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.
 - x) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolutions.
 - xi) 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.
 - xii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
 - xiii) 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.
 - xiv) If Demat account holder has forgotten the changed password then Enter the User ID and Captcha code and click on Forgot Password & enter the details as prompted by the system.
 - xv) Non-Individual Shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com. After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on. The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote. A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded 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 11th August, 2019 to 5.00 P.M. on Tuesday, the 13th August, 2019. 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 08th August, 2019, may opt for remote e-voting. Voting shall not be allowed beyond 5.00 PM on 13th August, 2019.
- 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 Thursday, the 08th August, 2019.
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THANJAVUR SPINNING MILL LIMITED

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- G. Shri K. Srinivasan, Chartered Accountant (Membership No:21510), Partner, M/s. M.S. Jagannathan & N. Krishnaswami, 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 scrutinizer, by use of ballot 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 of 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,

RAJAPALAYAM,
28th May, 2019.

S. KANTHIMATHINATHAN
Chairman of the Meeting

THANJAVUR SPINNING MILL LIMITED

DIRECTORS' REPORT

TO THE MEMBERS

Your Directors have pleasure in presenting their 57th Annual Report and the Audited Accounts of the Company for the year ended 31st March, 2019.

1. FINANCIAL RESULTS

As informed in the last year's Directors Report the Company has stopped the operation of all business activities and it is selling the assets. The financial results for the year ended 31st March, 2019 after charging all expenses but before deducting finance cost and depreciation have resulted in operating profit of ₹ 37 Lakhs as against operating loss of ₹ 957.97 Lakhs for the previous financial year 2017-18.

After deducting ₹ 57.95 Lakhs towards finance cost, and considering ₹ 5,583.68 Lakhs being profit on sale of Assets, the profit for the year is ₹ 5,562.73 Lakhs as compared to loss of ₹ 189 Lakhs for the previous financial year 2017-18. After providing an amount of ₹ 727.67 Lakhs towards Current tax and ₹ 278.62 Lakhs towards Deferred Tax Liability, the Net profit after tax for the year is ₹ 4,556.44 Lakhs (Previous Year: Net loss of ₹ 656.37 Lakhs).

All the revenues and expenses of financial year 2017-18 and 2018-19 are attributed to discontinuing operation only.

2. SHARE CAPITAL

The Paid-up Capital of the Company is ₹ 2,970 Lakhs (Previous year: ₹ 2,970 Lakhs) consisting of the following:

- i) 27,00,000 Nos. Equity Shares of ₹ 10/- each.
- ii) 2,50,00,000 Nos. 9% Cumulative Redeemable Preference Shares of ₹ 10/- each.
- iii) 20,00,000 Nos. 9% Cumulative Optionally Convertible Redeemable Preference Shares of ₹ 10/- each.

3. DIVIDEND

All the preference shares have been issued with cumulative rights on the Dividend. As the Company has earned net profit during the financial year 2018-19 and after adjusting all carry forward losses the surplus profit available with the Company was distributed as preference dividend as per details given below:

Date of Board Meeting	Arrears period	Current year	Amount of dividend paid ₹ in Lakhs
01-01-2019	18-07-2014 to 30-09-2017	-	767.03
25-03-2019	01-10-2017 to 31-03-2018	01-04-2018 to 31-03-2019	364.17
Total			1,131.20

The aggregate amount of Dividend outgo related to preference shares for the year was ₹ 1,131.20 Lakhs. The aggregate amount of tax on above Dividend was ₹ 232.52 Lakhs.

Your directors are not recommending any dividend to the equity shareholders during the year.

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DIRECTORS' REPORT

4. TAXATION

An amount of ₹ 727.67 Lakhs towards Current Tax has been provided and deferred tax of ₹ 278.62 Lakhs has been provided for the year 2018-19.

5. MANAGEMENT DISCUSSION AND ANALYSIS

A) The Company has stopped the production on 27-03-2018 and the Company sold closing stock of 57,480 Kgs of yarn held as on 31-03-2018 for ₹ 132.28 Lakhs during the financial year 2018-19.

B) STATUS OF SALE OF PROPERTIES AND ASSETS OF THE COMPANY

As informed in the Directors' Report of last year, the details of sale process of assets related to during the year 2018-19 are given below:

Sale of Assets at Thanjavur

a) Sale of "A" Unit

The Company has sold 36 nos of plots during the year for a sale consideration of ₹ 11.34 Crores.

b) Sale of "B" Unit.

The Company has completed the sale of textile Machinery and equipment for total sale consideration of ₹ 18.33 Crores. The Buildings was demolished and the lands were sold for ₹ 43.98 Crores.

c) Sale of Sri Saradha Nagar Land.

Land situated at Sri Saradha Nagar were sold to the extent of 8,700 Sq.feet for sale consideration of ₹ 1.25 Crores.

The entire sale proceeds have been utilized for:

- a. Repayment of Loan outstanding of ₹ 22.54 Crores as on 31-03-2018.
- b. Interest for the above loan of ₹ 0.58 Crores
- c. Repayment of short-term deposit from customers ₹ 4.76 Crores
- d. Placing Inter Corporate Deposits of ₹ 30.00 Crores, the Company has obtained the approval of Shareholders to place the above inter Corporate Deposit by way of Special Resolution passed through Postal Ballot on 09-02-2019.
- e. Payment of dividend to preference shareholders and dividend distribution tax thereon an amount of ₹ 1,131.20 Lakhs and income tax paid during the year is ₹ 864.00 Lakhs.

6. SCHEME OF ARRANGEMENT

The Board of Directors has approved a Scheme of arrangement between the Company and its Shareholders and Creditors at their meeting held on 28-05-2019. The Company has proposed to reduce the entire preference share capital of ₹ 27.00 Crores and equity share capital of the

THANJAVUR SPINNING MILL LIMITED

DIRECTORS' REPORT

Company by utilizing the excess fund available with the Company subject to approval of the National Company Law Tribunal (NCLT). The Company is taking steps to file said scheme before NCLT and once the scheme is approved, it will be implemented as per the directions of NCLT.

7. 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.

8. 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.

9. DIRECTORS

In accordance with the provision of the Companies Act, 2013 and in terms of the Memorandum and Articles of Association of the Company, Shri S. Kanthimathinathan, Director (DIN:01124581) retire by rotation at the ensuing Annual General Meeting and he is eligible for re-appointment.

Shri P.R.Venketrama Raja Chairman (DIN : 00331406) has resigned from Directorship with effect from 15-05-2018.

The Independent Directors hold office for a fixed term of 5 years and not liable to retire by rotation. No Independent Directors has retired during the year.

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 Company has received necessary declarations from all the Independent Directors under Section 149(7) of the Companies Act, 2013, that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

The Audit Committee has three Members, out of which two are Independent Directors. 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 has 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.

THANJAVUR SPINNING MILL LIMITED

DIRECTORS' REPORT

10. EVALUATION OF BOARD

Pursuant to Section 134(3)(p) of the Companies Act, 2013, Independent Directors have evaluated the quality, quantity and timeliness of the flow of information between the Management and the Board, performance of the Board as a whole, its Committees and its Members and other required matters. Nomination and Remuneration Committee has laid down evaluation criteria which will be based on attendance, independence, expertise and contribution brought by the Independent Director at the Board Meeting, which shall be taken into account at the time of reappointment of Independent Director.

11. MEETINGS

MEETINGS OF THE BOARD

Details of attendance of each Director at the Board Meetings held during the year are as follows:

Sl. No.	Name of the Director, Director Identification Number (DIN) & Directorship	29-05-2018	09-08-2018	10-11-2018	01-01-2019	25-03-2019	Attendance at Last AGM held on 10-08-2018
1	Shri S. Kanthimathinathan DIN: 01124581 Directorship: NE	Yes	Yes	Yes	Yes	Yes	Yes
2	Shri P.A.S. Krishnama Raja DIN: 00487322 Directorship: NE & ID	Yes	Yes	Yes	Yes	Yes	Yes
3	Shri P.J. Ramkumar Rajha DIN: 00487193 Directorship: NE & ID	Yes	Yes	Yes	Yes	Yes	Yes

E- Executive NE – Non Executive ID- Independent Director

During the year, a meeting of the Independent Directors was held on 25-03-2019 and both Independent Directors were present at the meeting.

MEETINGS OF THE COMMITTEES

AUDIT COMMITTEE

The composition of the Audit Committee and the details of attendance of its Members are as follows:

Sl. No.	Name of the Director	28-05-2018	08-08-2018	09-11-2018	01-01-2019	25-03-2019
1	Shri P.J. Ramkumar Rajha Chairman of the Committee	Yes	Yes	Yes	Yes	Yes
2	Shri P.A.S. Krishnama Raja	Yes	Yes	Yes	Yes	Yes
3	Shri S. Kanthimathinathan	Yes	Yes	Yes	Yes	Yes

STAKEHOLDERS RELATIONSHIP COMMITTEE

The composition of the Stakeholders Relationship Committee and the details of attendance of its Members are as follows:

THANJAVUR SPINNING MILL LIMITED

DIRECTORS' REPORT

Sl. No.	Name of the Director	30-03-2019
1	Shri P.J. Ramkumar Rajha Chairman of the Committee	Yes
2	Shri S. Kanthimathinathan	Yes
3	Shri P.A.S. Krishnama Raja	Yes

12. SECRETARIAL STANDARD

As required under Clause 9 of Secretarial Standard 1, the Board of Directors confirms that the Company has complied with applicable Secretarial Standards.

13. PUBLIC DEPOSITS

Pursuant to Rule 8(5)(v) & (vi) of Companies (Accounts) Rules, 2014, it is reported that the Company has not accepted any deposit from public during the financial year under review. 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.

14. 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.

15. PARTICULARS OF LOANS, GURANTEES AND INVESTMENTS

The Company has given loan (Inter Corporate Deposit) to M/s. Rajapalayam Mills Limited and M/s. Sandhya Spinning Mill Limited for an amount of ₹ 25 Crores and ₹ 5 Cores respectively in accordance with Special Resolution passed by way of Postal Ballot on 09-02-2019. The details of investment made by the Company are disclosed in Note No.10 which is forming part of financial statements.

16. AUDIT

STATUTORY AUDIT

M/s. M.S. Jagannathan & N. Krishnaswami, Chartered Accountants is Statutory Auditors of the Company.

At the 55th Annual General Meeting, the above Auditors have been appointed as statutory auditors for a period of 5 consecutive years' financial years commencing from the financial year 2017-18 and to hold office from the conclusion of 55th Annual General Meeting till the conclusion of 60th Annual General Meeting to be held in the year 2022.

The Auditors have confirmed their eligibility for their reappointment, under Section 141 of the Companies Act, 2013.

The report of the Statutory Auditors for the year ended 31st March, 2019 does not contain any qualification, reservation or adverse remark and no instance of fraud has been reported by Auditor under Section 143(12) of Companies Act, 2013.

THANJAVUR SPINNING MILL LIMITED

DIRECTORS' REPORT

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

Pursuant to Section 134(3)(m) of the Companies Act, 2013 and 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.

18. 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.

In Accordance with Section (134)(3)(a) of the Companies Act, 2013, the Company placed a copy of annual return on its website at www.thanjavurspinningmill.co.in

19. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

The disclosures in terms of provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5 (1), (2) and (3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, relating to remuneration are provided in Annexure - III.

20. RELATED PARTY TRANSACTION

The transactions with related party entered into by the Company are periodically placed before the Audit Committee for its approval. In accordance with AS – 18, (Related Party Disclosure) the details of transactions with the related parties are set out in Note No. 26(13) of disclosure forming part of Financial Statements.

21. 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.

22. DIRECTORS' RESPONSIBILITY STATEMENT

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

- (a) they had followed the applicable accounting standards along with proper explanation relating to material departures, if any, in the preparation of the Annual Accounts for the year ended 31st March, 2019;
- (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 as on 31st March, 2019 and profit of the Company for the year ended on that date;
- (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;

THANJAVUR SPINNING MILL LIMITED

DIRECTORS' REPORT

- (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,
28th May, 2019.

S. KANTHIMATHINATHAN
DIRECTOR

P.J. RAMKUMAR RAJHA
DIRECTOR

THANJAVUR SPINNING MILL LIMITED

ANNEXURE I TO DIRECTORS' REPORT

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

*[Pursuant to Section 134(3)(m) of the Companies Act, 2013
read with Rule 8(3) of Companies (Accounts) Rules 2014]*

(A) CONSERVATION OF ENERGY

The Company pays attention at all levels to reduce energy consumption, by continuous monitoring maintenances and improvements.

- (i) the steps taken on conservation of energy : NIL
- Impact on conservation of energy : NIL
- (ii) the steps taken by the Company for utilising alternate sources of energy : NIL
- (iii) the capital investment on energy conservation equipments : NIL

(B) TECHNOLOGY ABSORPTION:

- (i) the efforts made towards technology absorption : NIL
- (ii) the benefits derived like product improvement, cost reduction, product development or import substitution : NIL
- (iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) : NIL
 - (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
- (iv) 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 : NIL
- The Foreign Exchange outgo during the year in terms of actual outflows. : NIL

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

RAJAPALAYAM,
28th May, 2019.

S. KANTHIMATHINATHAN
DIRECTOR

P.J. RAMKUMAR RAJHA
DIRECTOR

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, 2019

[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	U17111TN1961PLC004505
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, Tamil Nadu - 626 117. Phone:04563-235666 ; Fax:04563-236520 E-Mail:tsml@ramcotex.com Web: www.thanjavurspinningmill.co.in
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	100%

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 Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	13,48,653	2,12,438	15,61,091	57.82	14,61,580	1,03,711	15,65,291	57.97	0.15
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	-	-	-	-	-	-	-	-	-
e) Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A) (1)	13,48,653	2,12,438	15,61,091	57.82	14,61,580	1,03,711	15,65,291	57.97	0.15
(2) Foreign									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Other individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
e) Any others	-	-	-	-	-	-	-	-	-
Sub Total (A) (2)	-	-	-	-	-	-	-	-	-
Total shareholding of Promoters (A) = A(1)+A(2)	13,48,653	2,12,438	15,61,091	57.82	14,61,580	1,03,711	15,65,291	57.97	0.15
B. Public Shareholding									
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	2,398	-	2,398	0.09	2,398	-	2,398	0.09	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	2,398	-	2,398	0.09	2,398	-	2,398	0.09	-

THANJAVUR SPINNING MILL LIMITED

ANNEXURE II TO DIRECTORS' REPORT

Category-wise Share Holding (Contd.)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non-Institutions									
a) Bodies Corporate									
i) Indian*	1,07,614	4,320	1,11,934	4.14	1,07,614	4,320	1,11,934	4.14	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	73,788	4,19,984	4,93,772	18.29	87,990	4,01,582	4,89,572	18.13	(0.15)
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	4,31,043	99,762	5,30,805	19.66	4,31,043	99,762	5,30,805	19.66	-
c) Others - (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	6,12,445	5,24,066	11,36,511	42.09	6,26,647	5,05,664	11,32,311	41.94	(0.15)
Total Public Shareholding (B)=(B)(1)+ (B)(2)	6,14,843	5,24,066	11,38,909	42.18	6,29,045	5,05,664	11,34,709	42.03	(0.15)
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	19,63,496	7,36,504	27,00,000	100	20,90,625	6,09,375	27,00,000	100	-

* It includes shares in Investor Education and Production Fund (IEPF) account (1,05,114 No. of shares).

THANJAVUR SPINNING MILL LIMITED

ANNEXURE II TO DIRECTORS' REPORT

ii) Shareholding of Promoters:

Sl. No.	Shareholders' Name	Shareholding at the beginning of the year 1 st April, 2018			Shareholding at the end of the year 31 st March, 2019			% 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	23,769	0.88	-	-	-	-	(0.88)
2	Smt.R.SUDARSANAM	2,59,441	9.61	-	2,69,584	9.98	-	0.37
3	Shri.P.R.VENKETRAMA RAJA	1,67,949	6.22	-	1,73,891	6.44	-	0.22
4	Smt.SARADHA DEEPA	3,83,949	14.22	-	3,89,891	14.44	-	0.22
5	Smt.R.NALINA RAMALAKSHMI	3,83,949	14.22	-	3,89,891	14.44	-	0.22
6	Smt. R.CHTTAMMAL	1,422	0.05	-	1,422	0.05	-	-
7	Shri N.R.K.RAMKUMAR RAJA	400	0.01	-	400	0.01	-	-
8	Shri S.S.RAMACHANDRA RAJA	1,000	0.04	-	1,000	0.04	-	-
9	Shri. K.T.RAMACHANDRAN	4,078	0.15	-	4,078	0.15	-	-
10	Shri K.R. THIRUVENGADAM	72,400	2.68	-	72,400	2.68	-	-
11	Smt. K.R.RUKMANI	4,222	0.16	-	4,222	0.16	-	-
12	Smt. K.R.VAISHNAVI	4,222	0.16	-	4,222	0.16	-	-
13	Smt. K.R.SAKUNDALA DEVI	4,222	0.16	-	4,222	0.16	-	-
14	Smt. ANNAPOORANI KRISHNAN	43,143	1.60	-	43,143	1.60	-	-
15	DR.K.TIRUVENGADAKRISHNAN	40,487	1.50	-	40,487	1.50	-	-
16	MINOR K.T.HARINI BY F&G.K.TIRUVENGADAKRISHNAN	1,000	0.04	-	1,000	0.04	-	-
17	MINOR K.T.HARSHINI BY F&G.K.TIRUVENGADAKRISHNAN	1,000	0.04	-	1,000	0.04	-	-
18	Smt. K.PADMAVATHI	23,085	0.85	-	23,085	0.85	-	-
19	Shri K.S.KRISHNAKUMAR	20,000	0.74	-	20,000	0.74	-	-
20	Mr.K.SANTHANA KRISHNAN	1,100	0.04	-	1,100	0.04	-	-
21	Mr. K.RAGUVIR	1,200	0.04	-	1,200	0.04	-	-
22	Smt. K.UMAMAHESWARI	30,685	1.14	-	30,685	1.14	-	-
23	Ms. P.P.HASINI	1,000	0.04	-	1,000	0.04	-	-
24	Shri K.T.SRINIVASAN	2,224	0.08	-	2,224	0.08	-	-
25	Shri K.T.KALYANAKRISHNAN	35,144	1.30	-	35,144	1.30	-	-
26	Smt. MEENAKSHI KALYANAKRISHNAN	6,000	0.22	-	6,000	0.22	-	-
27	Shri R.SIVASUBRAMANIAN	2,000	0.07	-	2,000	0.07	-	-
28	Smt. S.JALAJAAMMAL	2,000	0.07	-	2,000	0.07	-	-
29	Shri S.KRISHNASWAMY KAMAYA NAICKER	4,000	0.15	-	4,000	0.15	-	-
30	Shri K.KUMARAN	27,000	1.00	-	27,000	1.00	-	-
31	Smt.V.VEERALAKSHMI	9,000	0.33	-	9,000	0.33	-	-
	TOTAL	15,61,091	57.82	-	15,65,291	57.97	-	0.15

THANJAVUR SPINNING MILL LIMITED

ANNEXURE II TO DIRECTORS' REPORT

iii) Change in Promoters' Shareholding:

Sl. No.	Shareholding		Date	Increase / (Decrease) in Shareholdings	Reason	Cumulative Shareholding during the year 01-04-2018 to 31-03-2019)	
	No. of shares at the beginning (01-04-2018) / end of the year (31-03-2019)	% of total shares of the Company				No. of shares	% of total shares of the Company
1.	15,61,091	57.82	24-08-2018	3200	Transfer	15,64,291	57.94
2	-	-	29-09-2018	1000	Transfer	15,65,291	57.97

iv) Shareholding Pattern of Top Ten Shareholders:

(Other than Directors and Promoters)

Sl. No.	Name	Shareholding		Date	Increase / (Decrease) in Shareholding	Reason	Cumulative Shareholding during the year 01-04-2018 to 31-03-2019)	
		No. of shares at the beginning of the year (01-04-2018) / end of the year (31-03-2019)	% of total shares of the Company				No. of shares	% of total shares of the Company
1	Shri ABINAV RAMASUBRAMANIAM RAJA P V	2,13,300	7.90	N.A.	N.A.	N.A.	2,13,300	7.90
2	Smt. P.V. NIRMALA	67,500	2.50	N.A.	N.A.	N.A.	67,500	2.50
3	Smt. P.V. SRISANDHYA	67,500	2.50	N.A.	N.A.	N.A.	67,500	2.50
4	Shri ANANTHARAMAKRISHNAN K S	29,886	1.11	N.A.	N.A.	N.A.	29,886	1.11
5	Shri SATHYANARAYANAN K S	29,876	1.11	N.A.	N.A.	N.A.	29,876	1.11
6	Smt. DHARSHINI RAAJA DH	27,000	1.00	N.A.	N.A.	N.A.	27,000	1.00
7	Smt. SRIMATHI D	27,000	1.00	N.A.	N.A.	N.A.	27,000	1.00
8	Shri. K.K. VENKATRAMAN	20,000	0.74	N.A.	N.A.	N.A.	20,000	0.74
9	Smt. K.K. VISHNUPRIYA	20,000	0.74	N.A.	N.A.	N.A.	20,000	0.74
10	Shri. A. MOHAMED SALEEM	14,800	0.55	N.A.	N.A.	N.A.	20,000	0.55

THANJAVUR SPINNING MILL LIMITED

ANNEXURE II TO DIRECTORS' REPORT

v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name	Shareholding		Date	Increase / (Decrease) in Shareholding	Reason	Cumulative Shareholding during the year (01.04.2018 to 31.03.2019)	
		No. of shares at the beginning of the year (01.04.2018) / end of the year (31.03.2019)	% of total shares of the Company				No. of shares	% of total shares of the Company
1	Shri KANTHIMATHINATHAN S	Nil	Nil	N.A.	N.A.	N.A.	Nil	Nil
2	SHRI.P.A.S.KRISHNAMA RAJA	Nil	Nil	N.A.	N.A.	N.A.	N.A	N.A
3	SHRI.P.J.RAMKUMAR RAJHA	Nil	Nil	N.A.	N.A.	N.A.	N.A	N.A
4	SHRI.A.KARTHISWARAN	Nil	Nil	N.A.	N.A.	N.A.	N.A	N.A
5	SHRI.S.MUTHUSAMY	Nil	Nil	N.A.	N.A.	N.A.	N.A	N.A
6	SHRI.G.RAMACHANDRAN	Nil	Nil	N.A.	N.A.	N.A.	N.A	N.A

THANJAVUR SPINNING MILL LIMITED

ANNEXURE II TO DIRECTORS' REPORT

V. INDEBTEDNESS

(₹ in Lakhs)

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	2,258.38	-	-	2,258.38
ii) Interest due but not paid	-	-	-	
iii) Interest accrued but not due	-	-	-	
Total (i+ii+iii)	2,258.38	-	-	2,258.38
Change in Indebtedness during the financial year				
Addition	-	-	-	-
Reduction	2,258.38	-	-	2,258.38
Net Change	(2,258.38)	-	-	(2,258.38)
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

THANJAVUR SPINNING MILL LIMITED

ANNEXURE II TO DIRECTORS' REPORT

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Not Applicable

B. Remuneration to other Directors:

(₹ in Lakhs)

Sl. No.	Particulars of Remuneration	Name of the Directors		Total Amount
1	Independent Directors	Shri. P.A.S.Krishnama Raja	Shri P.J.Ramkumar Rajha	
	Fee for attending board committee meetings	0.25	0.25	0.50
	Commission	-	-	-
	Others, please specify	-	-	-
	Total (1)	0.25	0.25	0.50
2	Other Non-Executive Directors	Shri. S. Kanthimathinathan		
	Fee for attending board committee meetings	0.25		0.25
	Commission	-		-
	Others, please specify	-		-
	Total (2)	0.25		0.25
	Total (B)=(1+2)	0.75		0.75
	Overall Ceiling as per the Act	1% of Net profit of the Company, calculated as per Section 198 of the Companies Act, 2013.		
	Total Managerial Remuneration (A+B)			0.75

THANJAVUR SPINNING MILL LIMITED

ANNEXURE II TO DIRECTORS' REPORT

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER/ WTD (₹ in Lakhs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		Shri S.Muthusamy CEO	Shri A. Karthiswaran Secretary	Shri G. Ramachandran CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	20.17	5.89	6.30	32.36
	(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	20.17	5.89	6.30	32.36

THANJAVUR SPINNING MILL LIMITED

ANNEXURE II TO DIRECTORS' REPORT

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,
28th May, 2019.

S. KANTHIMATHINATHAN
DIRECTOR

P.J. RAMKUMAR RAJHA
DIRECTOR

THANJAVUR SPINNING MILL LIMITED

ANNEXURE III TO DIRECTORS' REPORT

DISCLOSURE RELATING TO REMUNERATION UNDER SECTION 197 (12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 (2) AND (3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

i) Particulars of top 10 Employees in terms of remuneration drawn during the financial year 2018-19 is given below:

Sl. No.	Name of Employee	Age (Yrs)	Designation	Remuneration Paid / Payable ₹ in Lakhs	Qualification and experience (Years)	Date of Commencement of employment	Last Employment
1	S. MUTHUSAMY	58	Chief Executive Officer	20.17	D.T.T 36 Years	12/06/2013	Thiru Thanikagai Spinners, Sathiyamangalam, Arasur, Nabiyur
2	G. RAMACHANDRAN	49	Chief Financial Officer	6.30	B.Com 27 years	12/08/1992	International Agencies, Chennai
3	A.KARTHISWARAN	29	Company Secretary	5.89	A.C.S 3 years	09-08-2016	M/s Rajapalayam Mills Limited
4	A. MOHAN	57	A.M. Accounts	5.76	B.A. 36 years	08/01/1987	Kodi Ginning (P) Ltd., Thanjavur
5	R. SHANMUGARAJA	37	J.M. Maintenance	2.24	D.T.T. 12 years	07/05/2008	K.G. Srinivasa Spinning Mill Ltd., Mettupalayam
6	R. KANNAN	48	Office Assistant	2.15	ITI	01/06/2001	NIL
7	N. ANBUSELVAN	51	Jr.Officer HR	1.69	B.Com	15/03/2010	TTK Textile
8	S. MANOHARAN	45	A.M HR	1.43	DPM	01/03/1995	Sisi Computer Education
9	G. RAMASUBRAMANIAN	38	Senior officer Civil	0.85	DCE	15/07/2010	SR Karthik Construction Company Rajapalayam
10	V. SHANKAR	41	D.M. QA	0.53	D.T.T 21 years	01/11/2002	Jayavarma Textiles P Ltd, Gopichettipalayam

NOTE:

- All appointments are contractual.
- Remuneration includes Salary, Company's contribution to Provident Fund and Superannuation Fund but does not include Provision for Gratuity and Leave encashment.
- Sl.No 5 to 10 is partial employments they were worked 6, 11, 11, 4, 3, & 1 month respectively, after that they were transferred to our group companies.

None of the employees mentioned above is related to any Director of the Company.

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

RAJAPALAYAM,
28th May, 2019.

S. KANTHIMATHINATHAN
DIRECTOR

P.J. RAMKUMAR RAJHA
DIRECTOR

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 Standards, of Thanjavur Spinning Mill Limited ("the Company") which comprise the Balance Sheet as at 31st March, 2019, the Statement of Profit and Loss and Statement of Cash Flow for the year ended on 31st March, 2019 and a summary of significant accounting policies and other explanatory information.

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 including the state of affairs (financial position) of the Company as at 31st March, 2019, its Profit (financial performance including Other Comprehensive Income), Changes in Equity and its Cash Flows for the year ended on 31st March, 2019.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. 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.

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 and presentation of the 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 Indian 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

THANJAVUR SPINNING MILL LIMITED

AUDITOR'S REPORT TO SHAREHOLDERS

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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility

Our responsibility is to express an opinion on the Financial Statements based on our audit.

We have considered 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 of the Financial Statements 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.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

THANJAVUR SPINNING MILL LIMITED

AUDITOR'S REPORT TO SHAREHOLDERS

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) Order, 2016 ("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", a statement on the matters specified in paragraphs 3 and 4 of the Order.
- 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 agree 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, 2019 and taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
 - f) We have enclosed our report in "Annexure B" with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) 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:

THANJAVUR SPINNING MILL LIMITED

AUDITOR'S REPORT TO SHAREHOLDERS

- i. The details of the pending litigations and its impact on the financial statements have been disclosed in Note No. 26(5) of the 'Notes forming part of the Financial Statements' for the year ended 31st March, 2019;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts that were required to be transferred by the Company to the Investor Education and Protection Fund.

For M.S.JAGANNATHAN & N. KRISHNASWAMI
Chartered Accountants
Firm Registration Number: 001208S

K SRINIVASAN
Partner
Membership No. 21510

Place : Rajapalayam
Date : 28th May, 2019.

THANJAVUR SPINNING MILL LIMITED

“ANNEXURE - A” TO THE INDEPENDENT AUDITORS’ REPORT

Referred to in paragraph 1 under the heading ‘Report on Other Legal & Regulatory Requirements’ of our report of even date to the Financial Statements of the Company for the year ended 31st March, 2019

1) Fixed Assets

- 1.1 The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- 1.2 The fixed assets were physically verified during the year by the Management in accordance with the regular programme of verification which, in our opinion, provides for physical verification of all fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed during such verification.
- 1.3 According to the information and explanations given to us, and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

2) Inventory

- 2.1 The Management has conducted the physical verification of inventory at reasonable intervals.
- 2.2 The discrepancies noticed on verification between the physical stocks and the book records were properly dealt with in the books of account and were not material.

3) The Company has granted loan to two parties listed in the register maintained under Section 189 of the Act. The maximum outstanding at any time during the year was ₹ 3,549.90 Lakhs (Previous Year Nil) and the amount outstanding as on 31st March, 2019 is ₹ 3,000 Lakhs (Previous Year Nil);

- a) In our opinion, the terms and conditions on which the loan has been granted to the party listed in the register maintained under Section 189 of the Act are not prejudicial to the interest of the Company.
- b) The payment of the principal and the interest wherever applicable are regular.
- c) There are no overdue amounts in respect of the loan granted to a party listed in the register maintained under section 189 of the Act.

4) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, in respect of loans, investments, guarantees, and security.

THANJAVUR SPINNING MILL LIMITED

AUDITOR'S REPORT TO SHAREHOLDERS

5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.

6) According to information and explanations given to us, the company is maintaining accounts and records which have been specified by the Central Government under Section 148(1) of the Act.

7) Undisputed and disputed taxes and duties

7.1 The Company is regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at 31st March, 2019 for a period of more than six months from the date they became payable.

7.2 According to the information and explanations given to us, the following due have not been deposited by the Company on account of disputes:

Name of Statue	Forum Where Dispute is Pending	₹ in Lakhs
TNEB WINDMILL GENERATION TAX	SUPREME COURT	120.49

8) The Company has not defaulted in repayment of dues to Financial Institutions, Banks, Government or Debentures holders.

9) The Company did not raise any money by way of initial public offer or further public offer. The Company has not raised term loans from Banks / Institutions during the year. The Company has not issued any debentures during the year.

10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

11) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.

THANJAVUR SPINNING MILL LIMITED

AUDITOR'S REPORT TO SHAREHOLDERS

- 13) In our opinion, all transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable Accounting Standards.
- 14) Based upon the audit procedures performed and the information and explanations given by the Management, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company.
- 15) Based upon the audit procedures performed and the information and explanations given by the Management, the Company has not entered into any non-cash transactions with Directors or persons connected with them. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company.
- 16) In our opinion, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company.

For M.S.JAGANNATHAN & N. KRISHNASWAMI
Chartered Accountants
Firm Registration Number: 001208S

K SRINIVASAN
Partner

Membership No. 21510

Place : Rajapalayam
Date : 28th May, 2019.

THANJAVUR SPINNING MILL LIMITED

AUDITOR'S REPORT TO SHAREHOLDERS "ANNEXURE B" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH ACCOUNTING STANDARDS OF THANJAVUR SPINNING MILL LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-Section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of The Thanjavur Spinning Mill Limited ("the Company") as of 31st March, 2019 in conjunction with our audit of the Financial Statements of the Company for the year ended on 31st March, 2019.

Opinion

In our opinion, and to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

THANJAVUR SPINNING MILL LIMITED

AUDITOR'S REPORT TO SHAREHOLDERS

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For M.S.JAGANNATHAN & N. KRISHNASWAMI
Chartered Accountants
Firm Registration Number: 001208S

K SRINIVASAN

Place : Rajapalayam
Date : 28th May, 2019.

Partner
Membership No. 21510

THANJAVUR SPINNING MILL LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2019

	Note No.	As at 31-03-2019		(₹ in Lakhs) As at 31-03-2018	
I EQUITY AND LIABILITIES					
(1) Shareholders' Funds					
(a) Share Capital	1	2,970.00		2,970.00	
(b) Reserves and Surplus	2	337.13	3,307.13	(2,855.59)	114.41
(2) Non Current Liabilities					
(a) Long Term Borrowings	3	-		600.00	
(b) Long Term Provisions	4	-	-	21.35	621.35
(3) Current Liabilities					
(a) Short Term Borrowings	5	-		658.38	
(b) Trade Payables	6	-		5.02	
(c) Other Current Liabilities	7	319.50		1,980.67	
(d) Short Term Provisions	8	12.43	331.93	37.17	2,681.24
TOTAL			<u>3,639.06</u>		<u>3,417.00</u>
II ASSETS					
(1) Non Current Assets					
(a) Non Current Investments	9		-		0.03
(b) Long term Loans and Advances	10		3,202.40		202.45
(c) Deferred Tax Assets	11		79.90		358.52
(2) Current Assets					
(a) Asset retired from active use and held for disposal Fixed Assets pertaining to discontinuing operations and held for sale	12	1.49		1,859.07	
(b) Inventories	13	-		133.20	
(c) Trade Receivables	14	-		620.97	
(d) Cash and Cash equivalent	15	11.49		5.48	
(e) Short Term Loans & Advances	16	265.94		115.44	
(f) Other Current Assets	17	77.84	356.76	121.84	2,856.00
TOTAL			<u>3,639.06</u>		<u>3,417.00</u>
Significant Accounting Policies	25				
Notes on Financial Statements	26				

The notes form an integral part of these financial statements

As per our report annexed

For M/s Jagannathan & N. Krishnaswami,
Chartered Accountants
Firm Registration Number - 001208S

K. SRINIVASAN
Partner
Membership No. 21510

RAJAPALAYAM,
28th May, 2019.

On behalf of the Board of Directors

S. KANTHIMATHINATHAN
DIRECTOR

P.J. RAMKUMAR RAJHA
DIRECTOR

S. MUTHUSAMY
CHIEF EXECUTIVE OFFICER

G. RAMACHANDRAN
CHIEF FINANCIAL OFFICER

A. KARTHISWARAN
SECRETARY

THANJAVUR SPINNING MILL LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2019

(₹ in Lakhs)			
	Note No.	For the year ended 31-03-2019 (Since Discontinued)	For the year ended 31-03-2018 (Since Discontinued)
I			
REVENUE			
Revenue from Operations	18	132.28	5,891.68
II Other Income	19	171.95	53.14
III Total Revenue (I+II)		<u>304.23</u>	<u>5,944.82</u>
IV			
EXPENSES			
Cost of Materials Consumed	20	-	4,043.55
Changes in Inventories of Finished Goods and Work-in-progress	21	129.05	115.97
Employee Benefit Expenses	22	91.29	469.46
Finance Costs	23	57.95	460.09
Depreciation and amortization Expenses	12	-	1,215.52
Other Expenses	24	46.89	2,273.81
Total Expenses		<u>325.18</u>	<u>8,578.40</u>
V Profit / (Loss) Before Exceptional and Extraordinary items and Tax (III-IV)		(20.95)	(2,633.58)
VI Exceptional & Extraordinary items (Profit on sale of assets relating to Discontinuing Operations) [Refer to Note No.26(7)]		5,583.68	2,444.58
VII Profit / (loss) before tax		<u>5,562.73</u>	<u>(189.00)</u>
Continuing operations			
VIII Profit from continuing operations before tax		-	-
IX Income Tax expenses of continuing operations		-	-
X Profit from continuing operations after tax		-	-
Discontinuing Operations			
XI Profit / (loss) from discontinued operations before tax		5,562.73	(189.00)
XII Tax expenses of discontinued operations			
Current Tax - MAT		727.67	(219.84)
Deferred Tax liabilities /(Assets)		278.62	(247.53)
XIII Profit / (loss) from discontinued operations (after tax) (XI-XII)		<u>4,556.44</u>	<u>(656.37)</u>
XIV Profit / (loss) for the period		<u>4,556.44</u>	<u>(656.37)</u>
XV Earnings per Equity Share of ₹ 10/- each			
Basic (in ₹)		157.91	(35.14)
Diluted (in ₹)		91.17	(19.73)
[Refer to Note No.26(12)]			
Significant Accounting Policies	25		
Notes on Financial Statements	26		

The notes form an integral part of these financial statements

As per our report annexed

For M/s Jagannathan & N. Krishnaswami,
Chartered Accountants
Firm Registration Number - 001208S

K. SRINIVASAN
Partner
Membership No. 21510

RAJAPALAYAM,
28th May, 2019.

On behalf of the Board of Directors

S. KANTHIMATHINATHAN
DIRECTOR

P.J. RAMKUMAR RAJHA
DIRECTOR

S. MUTHUSAMY
CHIEF EXECUTIVE OFFICER

G. RAMACHANDRAN
CHIEF FINANCIAL OFFICER

A. KARTHISWARAN
SECRETARY

THANJAVUR SPINNING MILL LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

		(₹ in Lakhs)	
		2018-19	2017-18
A. Cash flow from Operating activities			
Net Profit/(Loss) before tax and extraordinary items		(20.95)	(2,633.58)
Adjustments for :			
Depreciation and Amortization		-	1,215.52
Finance cost		57.95	460.09
Interest Received		(125.68)	(14.76)
Dividend Received		-	(0.01)
Deferred revenue expenditure written off		-	46.98
Impairment on assets		-	1,124.73
Operating Profit before Working capital Changes		(88.68)	198.97
Adjustments for :			
Trade Receivables		620.97	(395.09)
Loans and Advances		68.01	134.65
Inventories		133.20	1,234.09
Trade Payables & Current liabilities		(712.28)	633.40
Cash generated from Operations		21.22	1,806.02
Taxes Paid		(902.13)	(56.95)
Net Cash generated from Operating activities	A	(880.91)	1,749.07
B. Cash Flow from Investing activities :			
Purchase of Fixed Assets (Including Work in progress)		-	(376.95)
(Purchase) / Sale of Investments / Investment Property		0.03	7.95
Exceptional items - Sale of Assets of 'B' Unit Land & Machinery and "A" unit Land		7,441.26	2,487.94
Loans to Related Parties		(3,000)	-
Interest Received		125.68	14.76
Dividend Received		-	0.01
Net Cash from Investing activities	B	4,566.97	2,133.71

THANJAVUR SPINNING MILL LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

		(₹ in Lakhs)	
		2018-19	2017-18
C. Cash Flow from Financing activities :			
Proceeds from Long Term Borrowings		-	-
Repayment of Long Term Loan		(1,600.00)	(2,366.36)
Increase / (Decrease) in working capital borrowings		(658.38)	(1,238.21)
Payment of Dividend and Dividend Distribution tax		(1,363.72)	-
Interest Paid		(57.95)	(460.09)
Net cash used in financing activities	C	(3,680.05)	(4,064.66)
Net Increase/Decrease in Cash and Cash Equivalents	(A+B+C)	6.01	(181.88)
Opening balance of Cash and Cash Equivalents (Ref to Note No.15)	D	5.48	187.36
Closing balance of Cash and Cash Equivalents (Ref to Note No.15)	E	11.49	5.48
Net Increase/Decrease in Cash and Cash Equivalents	(E-D)	6.01	(181.88)

The notes form an integral part of these financial statements

As per our report annexed

For M/s Jagannathan & N. Krishnaswami,
Chartered Accountants
Firm Registration Number - 001208S

K. SRINIVASAN
Partner
Membership No. 21510

RAJAPALAYAM,
28th May, 2019.

On behalf of the Board of Directors

S. KANTHIMATHINATHAN
DIRECTOR

P.J. RAMKUMAR RAJHA
DIRECTOR

S. MUTHUSAMY
CHIEF EXECUTIVE OFFICER

G. RAMACHANDRAN
CHIEF FINANCIAL OFFICER

A. KARTHISWARAN
SECRETARY

THANJAVUR SPINNING MILL LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	As at 31st March 2019	(₹ in Lakhs) As at 31st March 2018
Note No. : 1		
SHARE CAPITAL		
Authorised		
70,00,000 Equity Shares of ₹ 10/- each (PY: 70,00,000 Equity Shares of ₹ 10/- each)	700.00	700.00
2,50,00,000 9% Cumulative Redeemable Preference Shares of ₹ 10/- each (PY : 2,50,00,000 9% Cumulative Redeemable Preference Shares of ₹ 10/- each)	2,500.00	2,500.00
40,00,000 9% Cumulative Optionally Convertible Redeemable Preference Shares of ₹ 10/- each (PY: 40,00,000 9% Cumulative Optionally Convertible Redeemable Preference Shares of ₹ 10/- each)	400.00	400.00
	3,600.00	3,600.00
Issued, Subscribed and fully paid-up		
27,00,000 Equity Shares of ₹ 10/- each (PY 27,00,000 Equity Shares of ₹ 10/- each)	270.00	270.00
2,50,00,000 9% Cumulative Redeemable Preference Shares of ₹ 10/- each* (PY : 2,50,00,000 9% Cumulative Redeemable Preference Shares of ₹ 10/- each)	2,500.00	2,500.00
20,00,000 9% Cumulative Optionally Convertible Redeemable Preference Shares of ₹ 10/- each# (PY: 20,00,000 9% Cumulative Optionally Convertible Redeemable Preference Shares of ₹ 10/- each)	200.00	200.00
	2,970.00	2,970.00

* The Preference shares of ₹ 25 Crores 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 of ₹ 2 Crores may be convertible in one or more tranches into Equity Shares at the option of the holder at any time after 1st July, 2017 but not later than 31st December, 2021 at the rate of 1 (one) Equity Share of ₹ 10/- each for every 1 (one) Preference Share of ₹ 10/- each held. If the holders not opt for conversion, the said preference shares shall be redeemed on or before 31st December, 2022.

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

THANJAVUR SPINNING MILL LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in Lakhs)

b. Reconciliation of the number of shares outstanding:

Particulars	As at 31-03-2019		As at 31-03-2018	
	No. of Shares	Amount	No. of Shares	Amount
EQUITY SHARES				
Number of shares at the beginning	27,00,000	270.00	27,00,000	270.00
Shares issued during the year	-	-	-	-
Number of Shares at the end	<u>27,00,000</u>	<u>270.00</u>	<u>27,00,000</u>	<u>270.00</u>
PREFERENCE SHARES				
9% Cumulative Redeemable Preference Share				
Number of shares at the beginning	2,50,00,000	2,500.00	2,50,00,000	2,500.00
Shares issued during the year	-	-	-	-
Number of Shares at the end	<u>2,50,00,000</u>	<u>2,500.00</u>	<u>2,50,00,000</u>	<u>2,500.00</u>
9% Cumulative Optionally Convertible Redeemable Preference Share				
Number of shares at the beginning	20,00,000	200.00	20,00,000	200.00
Shares issued during the year	-	-	-	-
Shares redeemed during the year	-	-	-	-
Number of Shares at the end	<u>20,00,000</u>	<u>200.00</u>	<u>20,00,000</u>	<u>200.00</u>

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

Particulars	As at 31-03-2019		As at 31-03-2018	
	No. of Shares	% of holding	No. of Shares	% of holding
Smt. R Sudarsanam	2,69,584	9.98%	2,59,441	9.61%
Shri P.R.Venketrama Raja	1,73,891	6.44%	1,67,949	6.22%
Smt. R. Nalina Ramalakshmi	3,89,891	14.44%	3,83,949	14.22%
Smt. Sharada Deepa	3,89,891	14.44%	3,83,949	14.22%
Shri 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 31-03-2019		As at 31-03-2018	
	No. of Shares	% of holding	No. of Shares	% of holding
9% Cumulative Redeemable Preference Share				
M/s Rajapalayam Mills Limited	2,50,00,000	100.00%	2,50,00,000	100.00%
9% Cumulative Optionally Convertible Redeemable Preference Share				
Smt. R Sudarsanam	5,00,000	25.00%	5,00,000	25.00%
Shri P.R. Venketrama Raja	5,00,000	25.00%	5,00,000	25.00%
Smt. R. Nalina Ramalakshmi	5,00,000	25.00%	5,00,000	25.00%
Smt. Sharada Deepa	5,00,000	25.00%	5,00,000	25.00%

Note No. : 2

(₹ in Lakhs)

RESERVES AND SURPLUS

Securities Premium Reserve

Opening Balance	<u>60.00</u>		<u>60.00</u>	
		60.00		60.00

General Reserve

Balance as per last Financial Statements	(2,915.59)		(2,259.22)	
Add : Amount transferred from surplus balance in the Statement of profit and loss	<u>2,915.59</u>	-	<u>(656.37)</u>	
				(2,915.59)

Surplus in the statement of profit and loss

Opening Balance	-		-	
Add: Profit/(loss) for the Period	<u>4,556.44</u>		<u>(656.37)</u>	
Balance available for appropriation	4,556.44	-	(656.37)	-
Less: Appropriation				
1 st Interim dividend on Preference Shares	767.03			
Tax on 1 st Interim Dividend	157.66			
2 nd Interim dividend on Preference Shares	364.17			
Tax on 2 nd Interim Dividend	74.86			
Transfer to General Reserve	<u>2,915.59</u>		<u>656.37</u>	
Total Appropriation	<u>4,279.31</u>		<u>-</u>	
Net Surplus in the statement of Profit and loss account		277.13		-
		<u>337.13</u>		<u>(2,855.59)</u>

THANJAVUR SPINNING MILL LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

	As at 31-03-2019	(₹ in Lakhs) As at 31-03-2018
Note No. : 3		
LONG TERM BORROWINGS		
Secured, Term Loan from Banks	-	600.00
Note No. : 4		
LONG TERM PROVISIONS		
Provision for Other Employee Benefits	-	21.35
Note No. : 5		
SHORT TERM BORROWINGS		
Secured		
Loan Repayable on Demand from Banks	-	658.38
Note No. : 6		
TRADE PAYABLES		
Trade Payables	-	5.02
Note No. : 7		
OTHER CURRENT LIABILITIES		
Current Maturities of Long Term Debts	-	1,000.00
Liabilites for Other Finance	2.23	44.86
Statutory Liabilities payable	23.75	32.18
Advance from parties for sale of land	99.73	-
Payable for land development charges	193.79	428.13
Trade Deposit from customers	-	475.50
	319.50	1,980.67

THANJAVUR SPINNING MILL LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

	As at 31-03-2019	(₹ in Lakhs) As at 31-03-2018
Note No. : 8		
SHORT TERM PROVISIONS		
Provision for Employee Benefits	<u>12.43</u>	<u>37.17</u>
Note No. : 9		
NON-CURRENT INVESTMENTS		
Other Non-Current Investments, Non-Trade unquoted		
Shares in Thanjavur Textiles Emp. Co-operative Stores Ltd.	<u>-</u>	<u>0.03</u>
Note No. : 10		
LONG TERM LOANS AND ADVANCES		
Security Deposits	202.40	202.45
Deposit with Related Parties (Refer Item No. 13 of Note No. 26)	3,000.00	-
	<u>3,202.40</u>	<u>202.45</u>
Note No. : 11		
DEFERRED TAX ASSETS (NET)		
Deferred Tax Asset		
Tax effect on unabsorbed depreciation under Income Tax Act, 1961	-	590.62
Tax effect on provision for Bonus and Leave Salary Encashment	2.80	12.50
Deferred Tax Liability		
Tax effect on difference between book block and WDV of assets under the Income Tax Act, 1961	77.10	(244.60)
Net Deferred Tax Assets	<u>79.90</u>	<u>358.52</u>

THANJAVUR SPINNING MILL LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

Note No. 12

Assets retired from active use and held for disposal (Refer to Item No. 7 of Note No. 26)

(₹ in Lakhs)

Particulars	Year	Gross block				Depreciation				Net Block		
		As at the beginning of the year	Additions	Sold	As at the end of the year	As at the beginning of the year	Depreciation for the year	withdrawn	As at the end of the year	Impairment loss	As at the end of the year (Asset retired from active use and held for disposal) *	As at the beginning of the year
Land	2018-19	2.98	-	2.41	0.57	-	-	-	-	-	0.57	2.98
	2017-18	12.71	-	9.73	2.98	-	-	-	-	-	2.98	12.71
Buildings	2018-19	1,335.52	-	1,302.77	32.75	610.43	-	599.33	11.10	20.75	0.90	30.00
	2017-18	1,427.55	0.84	92.87	1,335.52	350.46	319.55	59.58	610.43	695.09	30.00	1,077.08
Plant and Machinery	2018-19	4,359.99	-	4,359.99	-	2,221.48	-	2,221.48	-	-	-	1,708.87
	2017-18	3,985.40	374.59	-	4,359.99	1,375.61	845.87	-	2,221.48	429.64	1,708.87	2,609.79
Electrical Machinery	2018-19	334.17	-	334.17	-	243.04	-	243.04	-	-	-	91.13
	2017-18	334.77	-	0.60	334.17	197.48	45.85	0.29	243.04	-	91.13	137.29
Furniture & Office Equipments	2018-19	21.26	-	21.26	-	16.78	-	16.78	-	-	-	4.48
	2017-18	20.22	1.51	0.47	21.26	16.15	1.08	0.45	16.78	-	4.48	4.07
Vehicles	2018-19	29.27	-	28.82	0.45	9.80	-	9.37	0.43	-	0.02	19.47
	2017-18	29.27	-	-	29.27	6.73	3.07	-	9.80	-	19.47	22.54
Computer Machinery	2018-19	22.47	-	22.47	-	21.18	-	21.18	-	-	-	1.29
	2017-18	22.47	-	-	22.47	21.08	0.10	-	21.18	-	1.29	1.39
Total - Tangible Assets (A)	2018-19	6,105.66	-	6,071.89	33.77	3,122.71	-	3,111.18	11.53	20.75	1.49	1,858.22
	2017-18	5,832.39	376.94	103.67	6,105.66	1,967.51	1,215.52	60.32	3,122.71	1,124.73	1,858.22	3,864.88
Intangible Assets												
Computer software	2018-19	16.80	-	16.80	-	15.96	-	15.96	-	-	-	0.84
	2017-18	16.80	-	-	16.80	15.96	-	-	15.96	-	0.84	0.84
Total - Intangible Assets (B)	2018-19	16.80	-	16.80	-	15.96	-	15.96	-	-	-	0.84
	2017-18	16.80	-	-	16.80	15.96	-	-	15.96	-	0.84	0.84
Grand Total (A+B)	2018-19	6,122.46	-	6,088.69	33.77	3,138.67	-	3,127.14	11.53	20.75	1.49	1,859.06
	2017-18	5,849.19	376.94	103.67	6,122.46	1,983.47	1,215.52	60.32	3,138.67	1,124.73	1,859.06	3,865.72

Note: Depreciation has been provided till the assets are held for active use (PY) i.e. till 27-03-2018.

THANJAVUR SPINNING MILL LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

	(₹ in Lakhs)	
	As at 31-03-2019	As at 31-03-2018
Note No. : 13		
INVENTORIES		
Finished Goods	-	129.05
Rawmaterials, cotton and cotton waste	-	0.85
Stores Spares Fuel and packing materials	-	3.30
	-	133.20
Mode of valuation of inventories are disclosed in significant Accounting Policies in Note No. 25(3).		
Note No. : 14		
TRADE RECEIVABLES		
Unsecured, considered good		
Trade Receivables Less than Six months	-	620.97
Note No. : 15		
CASH AND BANK BALANCES		
Cash on Hand	-	0.35
Balance with Bank		
In Current Account	11.49	5.13
	11.49	5.48
Note No. : 16		
SHORT TERM LOANS AND ADVANCES		
Unsecured, considered good		
Advance to Suppliers / others	-	0.95
Income Tax Paid , TDS and Refund receivables	265.94	91.48
Tax Credit Indirect Taxes	-	23.01
	265.94	115.44
Note No. : 17		
OTHER CURRENT ASSETS		
Accrued Income	76.04	85.14
Prepaid Expenses	1.28	35.64
Other Current Assets	0.52	1.06
	77.84	121.84

THANJAVUR SPINNING MILL LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS

	For the year ended 31-03-2019	For the year ended 31-03-2018
Note No. : 18		
REVENUE FROM OPERATIONS		
Sale of Products		
Yarn	132.28	5,275.31
Fabrics	-	34.74
Waste Cotton	-	578.28
Other Operating Revenues	132.28	5,888.33
Export Incentive	-	3.35
	<u>132.28</u>	<u>5,891.68</u>

Note No. : 19

OTHER INCOME

Interest Received	125.68	14.76
Dividend Income	-	0.01
Miscellaneous Income	46.27	27.41
Exchange Gain on Foreign Currency Transactions, (Net)	-	10.96
	<u>171.95</u>	<u>53.14</u>

Note No. : 20

COST OF MATERIALS CONSUMED

Rawmaterials Consumed

Cotton	-	4,043.55
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THANJAVUR SPINNING MILL LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

	For the year ended 31-03-2019		For the year ended 31-03-2018	
	(₹ in Lakhs)			
Note No. : 21				
CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS				
Opening stock				
Finished Goods	129.05		109.87	
Work-in-Process	-	129.05	135.15	245.02
Less:				
Closing Stock				
Finished Goods	-	-	129.05	129.05
Net Decrease in Stock		<u>129.05</u>	<u>129.05</u>	<u>115.97</u>

Note No. : 22

EMPLOYEE BENEFIT EXPENSES

Salaries, Wages and Bonus	58.43	342.01
Contribution to Provident and Other Funds	14.41	42.31
Staff and Labour Welfare Expenses	18.45	85.14
	<u>91.29</u>	<u>469.46</u>

Note No. : 23

FINANCE COSTS

Interest Expenses	<u>57.95</u>	<u>460.09</u>
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THANJAVUR SPINNING MILL LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in Lakhs)

For the year ended
31-03-2019

For the year ended
31-03-2018

Note No. : 24

OTHER EXPENSES

Manufacturing Expenses

Power and Fuel	2.45	778.18	
Packing Materials Consumed	0.17	86.18	
Repairs to Buildings	-	0.76	
Repairs to Plant and Machinery	-	73.33	
Repairs - General	1.47	9.13	
Job work Charges Paid	-	17.17	
	4.09		964.75

Establishment Expenses

Rates and Taxes	13.79	6.17	
Insurance	6.66	8.61	
Postage and Telephone	3.30	6.49	
Printing and Stationery	1.68	2.53	
Travelling Expenses	0.97	3.48	
Vehicle Maintenance	1.25	14.53	
Directors Sitting Fees	0.75	0.95	
Impairment on assets	-	1,124.73	
Audit and Legal Expenses	11.31	8.12	
Voluntary Retirement Scheme	-	46.98	
Miscellaneous Expenses	1.25	11.84	
	40.96		1,234.43

Selling Expenses

Sales Commission	1.19	52.36	
Export Expenses	-	2.21	
Other Selling Expenses	0.65	20.06	
	1.84		74.63
	46.89		2,273.81

THANJAVUR SPINNING MILL LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note No. 25

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 Companies Act, 2013 and Companies Act, 1956 to the extent applicable.
- (ii) The accounting policies that are adopted in preparation of the financial statements are consistently followed as in the previous years.
- (iii) The financial statements are presented in Indian Rupees and the amounts are rounded to the nearest Lakhs with two decimals, except as stated otherwise.
- (iv) The Company generally follows mercantile system of accounting and recognizes significant items of income and expenditure on accrual basis.
- (v) The Company has considered its operating cycle as 12 months for the purpose of Current or Non-current classification of assets and liabilities.
- (vi) The previous year figures are regrouped / restated wherever necessary.

2. Use of Estimates

- (i) 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.
- (ii) Estimates and underlying assumptions are reviewed on discontinuing operation basis. Any revision to accounting estimates is recognized prospectively in current and future periods.

3. 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 after providing for obsolescence and other losses or net realizable value whichever is lower. However, these items are considered to be realizable at cost, if the finished products, in which they will be used, are expected to be sold at or above cost.
- (ii) Process stock is valued at cost including the cost of conversion with systematic allocation of production and administration overheads or net realizable value whichever is lower.

THANJAVUR SPINNING MILL LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

- (iii) Finished goods are valued at cost or net realizable value whichever is lower. Cost includes cost of conversion and other costs incurred in bringing the inventory to their present location and condition.
- (iv) Net realizable value is the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale.

4. 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.
- (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.

5. 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) Revenue from Operations:
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 Education Cess, Secondary and Higher Education Cess, Trade Discounts, GST and Sales Returns, if any.
- iii) Other Income:
 - i. Interest Income is recognised on time proportion basis.
 - ii. Scrap Sales does not include Education Cess, Secondary and Higher Education Cess, CST.

6. Property, Plant and Equipment (PPE)

- (i) PPEs are stated at cost of acquisition or construction (net of CENVAT/VAT/GST wherever applicable) less accumulated depreciation / amortisation and impairment losses if any, except freehold land which is carried at cost. The cost comprises of 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.
- (ii) The company identifies the significant parts of plant and equipment separately which are required to be replaced at intervals. Such parts are depreciated separately based on their specific useful lives. The cost of replacement of significant parts are capitalised and the carrying amount of replaced parts are de-recognised. When each major inspection/overhauling is performed, its cost is recognised in the carrying amount of the item of property, plant and equipment as a replacement if the recognition criteria are satisfied. Any remaining carrying amount of the cost of the previous inspection/overhauling (as distinct from physical parts) is de-recognised.

THANJAVUR SPINNING MILL LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

- (iii) Items such as spare parts, stand-by equipments and servicing equipments are classified as PPE when they meet the definition of PPE as per AS 10. Other expenses on fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts that does not meet the capitalisation criteria are charged to the Statement of Profit and Loss for the period during which such expenses are incurred.
- (iv) Capital Expenditure on tangible assets for research and development is classified as PPE and is depreciated based on the estimated useful life. Other expenditure incurred for research and development are expensed under the respective heads of accounts in the year in which it is incurred.
- (v) PPE 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.
- (vi) PPEs are eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal. When the assets are retired from active use, it is reclassified and have been disclosed separately as “Fixed assets pertaining to discontinuing operations held for sale” in the financial statements. Gains or losses arising from disposal, 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. Amount received towards PPE that are impaired and derecognized in the financial statements, are recognized in Statement of Profit and Loss, when the recognition criteria are met.

7. 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 & dearness allowance.
- (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 ₹ 1 Lakh per employee to “Thanjavur Spinning Mill Limited Employees’ Superannuation Fund” administered by trustees and managed by LIC of India.

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

THANJAVUR SPINNING MILL LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(v) **Defined Benefit Plan:**

(a) **Gratuity:**

The Company has its own 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 Days' basic salary payable for each completed year of service subject to a maximum statutory limit of ₹ 20 Lakhs. Vesting occurs upon completion of five years of continuous service. The Company makes annual contributions to "Thanjavur Spinning Mill Limited Employees' Gratuity Fund" 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.

(b) **Leave Encashment:**

The Company has a policy of allowing encashment of un-availed 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.

Actuarial gains and losses, if any, in respect of Defined Benefit plans are charged to Statement of Profit and Loss.

8. 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.

9. Segment Reporting

The Company has no segments under As -17 (Segment Reporting).

10. Earnings Per Share

Net profit after tax attributable to equity shareholder is divided by weighted average number of equity shares as stipulated in Accounting Standard - 20 (Earning per Share).

11. Income tax

- (i) Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income tax Act, 1961.
- (ii) Current tax assets and liabilities are offset since the Company has legally enforceable right to set off the recognised amounts and intends to settle the asset and the liability on a net basis.

THANJAVUR SPINNING MILL LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

- (iii) Deferred tax is recognised 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 recognised based on the accumulated timing difference using the tax rates and the tax laws enacted or substantially enacted as on reporting date.
- (iv) The deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is un- absorbed depreciation or carry forward losses under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. This is reviewed for realisability at each Balance Sheet date.
- (v) Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by same governing tax laws and the Company has legally enforceable right for such set off.
- (vi) Deferred tax on items directly recognised in reserves is also recognised in reserves and not in the Statement of Profit and Loss.

12. Intangible Assets

- i. 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.
- ii. The intangible assets that are not yet ready for their intended use are carried at cost including related expenses and attributable interest are recognised as Intangible assets under development.

13. Provision for Impairment on 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 based on internal and external factors exists.
- (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 and no future economic benefits are expected from its use. After recognition of impairment loss, the depreciation for the fixed assets is provided for remaining useful life based on the revised carrying amount, less its residual value if any, on straight line basis.
- (iii) The recoverable amount of an individual asset related to discontinuing operations is determined at the reporting date and where the carrying amount of an assets exceeds its recoverable amount, the value of the asset is written down to its recoverable amount as per Accounting Standard -28 "Impairment of Assets". The recoverable amount is determined based on asset's net realisable value.

THANJAVUR SPINNING MILL LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

- (iv) An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired.

14. 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 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) 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.
- (iii) Contingent liability is a possible obligation that may arise from past events and its existence will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the same are not recognised but disclosed its existence in the financial statements. Contingent Assets are neither recognised nor disclosed.

THANJAVUR SPINNING MILL LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note No. 26 (₹ in Lakhs)

OTHER DISCLOSURES

As at
31-03-2019 As at
31-03-2018

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, 2014 i.e. Assessment Year 2014-15.

5. (i) 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 ₹ 134.23 Lakhs (PY: ₹ 134.23 Lakhs).

(ii) The Company has received orders & demand notices from the office of Commercial Taxes, Thanjavur for an amount of ₹ 683.80 Lakhs towards tax and ₹ 871.33 Lakhs towards penalty alleging that there was an escaped turnover not reported in monthly returns without considering the objections filed by the Company that the same has been reported in monthly return and taxes has already been paid. The Company has challenged the assessment orders / demand notices by means of writ petitions before the Honourable Madras High court, Madurai branch. The Honorable Madras High court, Madurai branch has issued the final order on 07-12-2018 setting aside the impugned order passed by Commercial Tax Department. The office of sales tax department has issued a Revision Notice. We have filed the primary objection and explained the facts of the case to Assistant Commissioner Circle II Thanjavur on 24-05-2019.

(iii) From October, 2011 onwards TNEB raised demand @ 0.10 paise per unit as electricity tax for electricity generated by wind mills under the Tamil Nadu Tax on Consumption or Sale of Electricity Act, 2003.

THANJAVUR SPINNING MILL LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

The Company has not paid this tax as there was a notification issued under [Tamil Nadu Electricity (Taxation on Consumption) Act, 1962] according to which, the Government of Tamil Nadu gave permanent exemption for the imposition of generation tax in respect of Paper, Textile, Chemical and Sugar Industries.

In spite of the above exemption, TNEB has raised the demand of E-Tax for an amount of ₹ 120.49 Lakhs (Previous year: ₹ 65.53 Lakhs) and we have filed a SLP with Supreme Court against the above demand. Since the matter is pending before the Supreme Court, we have not paid the tax. In the opinion of the management, there may not be any tax liability on the above matters.

6. The Company has sold entire “B” unit assets Viz Textile Machinery 21,120 no of Spindles and 10.89 Acres of land and Buildings thereon & Unit ‘A’ land, Saradha nagar land, which are located at thanjavur in accordance with the Special Resolution passed by the Shareholders through postal ballot on 20-12-2014 & 03-11-2017. The Sales proceeds were utilized to pay term loans and working capital loans. After distributing dividend to preference shareholders, the balance surplus amount has been placed as Inter corporate Deposits. The profit before tax on sale of above, Machinery, Land and Buildings of ₹ 5,583.68 Lakhs has been shown as an Exceptional Item in the Statement of Profit and Loss.

7. Disclosures relating to Discontinuing Operations

A. The Board of Directors on 09-08-2017 announced a plan to dispose of the assets pertaining to this “B” unit including Land and Building. The Company has passed a Special Resolution for disposal of above said assets by way of Postal Ballot on 03-11-2017. Since the Company will not have any operation, all the revenues and expenses of financial year 2018-19 are attributed to discontinuing operation only. The Comparative information for the financial year 2017-18 are also attributed to discontinuing operation and hence the same information is restated in accordance with Accounting Standard 24 “Discontinuing Operations”. Accordingly, the Balance Sheet, Statement of Profit and Loss, and Statement of Cash Flow are relating to discontinuing operations. “The presentation of profit/ loss from discontinued operations on the face of the statement of profit and loss was made based on the guidance note issued by the Institute of Chartered Accountants of India (ICAI) in its publication “Financial Statements Presentation under Companies Act, 2013: Practitioner’s Perspective” read with Para 32 (a) of AS 24 “Discontinuing Operations”.

B. The carrying value of the total assets and liabilities of discontinued operations as at 31st March, 2019

(₹ in Lakhs)

Liabilities	As at 31st March, 2019	As at 31st March, 2018
Non-Current Liabilities	-	621.35
Current Liabilities	331.93	2,681.24
Total Liabilities	331.93	3,302.59

THANJAVUR SPINNING MILL LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in Lakhs)

Assets	As at 31 st March, 2019	As at 31 st March, 2018
Fixed Assets	-	-
Non-Current Assets (other than fixed assets)	3,282.30	561.00
Current Assets	356.76	2,856.00
Total Assets	3,639.06	3,417.00
Net Assets/ (Liabilities)	3,307.13	114.41

C. The net cash flows attributable to discontinuing operations

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Operating activities	(880.91)	1,749.07
Investing activities	4,566.97	2,133.71
Financing activities	(3,680.05)	(4,064.66)
Net cash in flows/ (out flows)	6.01	(181.88)

8. Auditors' remuneration (excluding GST) & expenses:

	As at 31-03-2019	As at 31-03-2018
Statutory Auditors:		
a. As Auditors		
- Fees	0.85	0.85
- Expenses reimbursed	0.29	-
b. In other Capacities		
- Tax Audit Fees	0.50	0.50
c. - VAT Audit Fees	-	0.30
d. - Certification Work Fees	0.30	0.27
	<u>1.94</u>	<u>1.92</u>

9. During the year Company has paid all necessary fees to NSDL & CDSL.

10. There are no dues to micro, small and medium enterprises / small scale enterprises as at 31-03-2019 (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.

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

	2018-19	2017-18
Defined Contribution Plan:		
Employer's Contribution to Provident Fund	2.89	20.70
Employer's Contribution to Superannuation Fund	1.69	2.41

THANJAVUR SPINNING MILL LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	(₹ in Lakhs)	
	2018-19	2017-18
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 at beginning of the year	35.33	28.69
Current Service Cost	4.64	4.84
Interest Cost	1.33	2.04
Actuarial (gain) / loss	5.09	3.65
Past Service Cost - (Vested Benefits)	Nil	Nil
Benefits paid	(-) 35.76	(-) 3.89
Defined Benefit obligation as at end of the year	10.63	35.33
Reconciliation of opening and closing balances of fair value of plan assets:		
Fair value of plan assets as at beginning of the year	44.82	44.92
Expected return on plan assets	2.03	3.24
Actuarial gain / (loss)	(0.19)	0.19
Employer Contribution	0.24	0.37
Benefits paid	(-) 35.76	(-) 3.89
Fair value of plan assets as at end of the year	11.14	44.83
Actual Return of plan assets:		
Expected return of plan assets	2.03	3.24
Actuarial gain / (loss) on plan assets	(0.19)	0.19
Actual return on plan assets	1.84	3.43
Reconciliation of fair value of assets and obligations:		
Fair value of plan assets	11.14	44.83
Present value of obligation	10.63	35.33
Difference	(-) 0.51	(-) 9.49
Unrecognized transitional liability	NIL	NIL
Unrecognized past service cost non vested benefits	NIL	NIL
Amount recognized in Balance Sheet	NIL	NIL
Expense recognized during the year:		
Current Service Cost	4.64	4.84
Interest Cost	1.33	2.04
Expected return on plan assets	(-) 2.03	(-) 3.24
Actuarial (gain) / loss	5.28	3.46
Transitional liability recognized in the year	NIL	NIL
Past service cost-non-vested benefits	NIL	NIL
Past service cost-vested benefits	NIL	NIL
Net Cost	9.22	7.10

THANJAVUR SPINNING MILL LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	(₹ in Lakhs)	
	2018-19	2017-18
Investment Details as on 31-03-2019:		
Government of India 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%
Actuarial assumptions:		
Indian Assured Lives (2006-08) Ultimate Table applied for Service Mortality rate	Yes	Yes
Discount rate p.a	7.01%	7.64%
Expected rate of return on plan assets p.a	7.43%	7.51%
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:		
Present Value of Obligation as on 01-04-2018	28.38	21.60
Current Service Cost	2.93	2.33
Interest Cost	1.12	1.41
Actuarial (gain) / loss	4.56	7.09
Benefits paid	(-) 27.46	(-) 4.05
Defined Benefit obligation as on 31-03-2019	9.53	28.38
Reconciliation of opening and closing balances of fair value of plan asset		
Fair value of plan assets as on 01-04-2018	NIL	NIL
Expected return on plan assets	NIL	NIL
Actuarial gain / (loss)	NIL	NIL
Employer Contribution	27.46	4.05
Benefits paid	(-) 27.46	(-) 4.05
Fair value of plan assets as on 31-03-2019	NIL	NIL
Actual Return of plan assets:		
Actuarial gain / (loss) on plan assets	NIL	NIL
Actual return on plan assets	NIL	NIL

THANJAVUR SPINNING MILL LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	(₹ in Lakhs)	
	2018-19	2017-18
Reconciliation of fair value of assets and obligations:		
Fair value of plan assets	NIL	NIL
Present value of obligation	9.53	28.38
Difference	9.53	28.38
Unrecognized transitional liability	NIL	NIL
Unrecognized past service cost non vested benefits	NIL	NIL
Amount recognized in Balance Sheet	9.53	28.38
Expense recognized during the year:		
Current Service Cost	2.93	2.33
Interest Cost	1.12	1.41
Expected return on plan assets	NIL	NIL
Actuarial (gain) / loss	4.56	7.09
Transitional liability recognized in the year	NIL	NIL
Net Cost	8.61	10.83
Investment Details as on 31-03-2019:		
Government of India 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.	7.01%	7.64%
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 THE FINANCIAL STATEMENTS

12. Earnings per Share	(₹ in Lakhs)	
Basic Earnings per Share	2018-19	2017-18
Profit/(Loss) After Tax	4,556.44	(656.37)
Less: Preference dividend on 2,50,00,000 nos of 9% Redeemable Preference Shares including Dividend distribution tax thereon	(271.26)	(270.80)
Less: Preference dividend on 20,00,000 nos of 9% Cumulative Optionally Convertible Redeemable Preference Shares including Dividend distribution tax thereon (Shares issued on 28-12-2016)	(21.70)	(21.66)
Total Profit attributable to Equity Shareholders	4,263.48	<u>(948.83)</u>
No. of Equity Shares	27.00	27.00
Basic EPS	157.91	(35.14)
Diluted Earnings Per Share		
Profit available to Equity Shareholders	4,263.48	948.83
Add: Preference dividend on 20,00,000 nos of 9% Cumulative Optionally Convertible Redeemable Preference Shares including Dividend distribution tax thereon (Shares issued on 28-12-2016)	21.70	21.66
Total Profit attributable to Equity Shareholders	4,285.18	<u>(927.17)</u>
No. of Equity shares	27.00	27.00
Add: Adjusted Weighted average no. of Shares upon conversion of 20,00,000 nos.of 9% Cumulative Optionally Convertible Preference Shares (issued on 28-12-2016)	20.00	20.00
Total No. of Equity Shares (including potential Equity Shares)	47.00	<u>47.00</u>
Diluted EPS	91.17	(19.73)

13. 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 Managerial Personnel (including KMP under Companies Act, 2013)

Shri P.R. Venketrama Raja	Chairman (upto 15-05-2018)
Shri S. Muthusamy	Chief Executive Officer
Shri A. Karthiswaran	Company Secretary
Shri G. Ramachandran	Chief Financial Officer

THANJAVUR SPINNING MILL LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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 Limited
M/s. Sri Vishnu Shankar Mill Limited
M/s. Ramco Industries Limited
M/s. Sandhya Spinning Mill Limited
M/s. The Ramaraju Surgical Cotton Mills Limited
M/s. Ramco Systems Limited
M/s. Rajapalayam Textile Limited
M/s. Ramco Windfarms Limited

c. Employee Benefit Funds where control exists

Thanjavur Spinning Mill Limited Employees' Superannuation Fund
Thanjavur Spinning Mill Limited Employees' Gratuity Fund

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

(A) Amount paid to Key Managerial Personnel (Sitting Fees) (₹ in Lakhs)

Name of the Related Party	Amount		Nature of Payment
	2018-19	2017-18	
Shri P.R. Venketrama Raja	-	0.20	Sitting Fees

(B) Remuneration to Key Managerial Personnel (Other than Sitting Fees)

Key Managerial Personnel		2018-19	2017-18
Shri S. Muthusamy	Chief Executive Officer	20.17	18.43
Shri A. Karthiswaran	Company Secretary	5.89	5.29
Shri G. Ramachandran	Chief Financial Officer	6.30	5.76

(C) Inter Corporate Deposit given

Name of the Related Party	Outstanding Amount as at	
	31-03-2019	31-03-2018
Rajapalayam Mills Limited	2,500	-
Sandhya Spinning Mill Limited	500	-

(D) Inter Corporate Deposit Interest received

Name of the Related Party	Amount as at	
	31-03-2019	31-03-2018
Rajapalayam Mills Limited	113.20	-
Sandhya Spinning Mill Limited	3.32	-

THANJAVUR SPINNING MILL LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(E) Corporate Guarantee availed

(₹ in Lakhs)

Name of the Related Party	Guarantee Amount as at	
	31-03-2019	31-03-2018
Rajapalayam Mills Limited	-	1,300
The Ramco Cements Limited	-	1,250
Ramco Industries Limited	-	1,600

(F) Sale of Goods Supplied / Service Rendered

Name of the Related Party	Value		Outstanding as at	
	2018-19	2017-18	31-03-2019	31-03-2018
Rajapalayam Mills Limited	31.16	100.70	NIL	NIL
Ramco Industries Limited	2.30	11.60	NIL	NIL
The Ramaraju Surgical Cotton Mills Limited	-	434.10	NIL	NIL
Rajapalayam Textiles Limited	-	154.27	NIL	NIL
Sandhya Spinning Mill Limited	11.05	4.22	NIL	NIL
Sri Vishnu Shankar Mill Limited	0.90	4.12	NIL	NIL

(G) Sale of Investments

Name of the Related Party	Value		Outstanding as at	
	2018-19	2017-18	31-03-2019	31-03-2018
Rajapalayam Mills Limited	-	6.71	NIL	NIL
Rajapalayam Textiles Limited	-	1.24	NIL	NIL

(H) Cost of Goods Purchased / Service Availed:

Name of the Related Party	Value		Outstanding as at	
	2018-19	2017-18	31-03-2019	31-03-2018
Rajapalayam Mills Limited	-	509.34	NIL	NIL
Ramco Industries Limited	-	37.47	NIL	NIL
Sri Vishnu Shankar Mill Limited	-	114.56	NIL	NIL
Sandhya Spinning Mill Limited	-	2.74	NIL	NIL
Ramco Windfarms Limited	-	459.51	NIL	NIL
The Ramco Cements Limited	-	0.31	NIL	NIL
Ramco Systems Limited	-	2.14	NIL	NIL

THANJAVUR SPINNING MILL LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in Lakhs)

(I) Contribution to Superannuation Fund / Gratuity Fund

Name of the Related Party	2018-19	2017-18
Thanjavur Spinning Mill Limited Employees' Superannuation Fund	1.69	2.41
Thanjavur Spinning Mill Limited Employees' Gratuity Fund	9.22	7.10

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

(a) Value of Imports calculated on CIF Value

	2018-19	2017-18
Raw Materials	-	1,296.63
Capital Goods	-	273.94

(b) Value of Raw Materials, Stores & Spare parts consumed

	2018-19		2017-18	
	Amount	%	Amount	%
Raw Materials				
Imported	-	-	1,576.84	38.99%
Indigenous	-	-	2,467.31	61.01%
Spares and Components				
Imported	-	-	0.98	0.04%
Indigenous	-	-	235.79	99.96%

(c) Earnings in Foreign exchange

(FOB Value)	2018-19	2017-18
Export of Yarn	-	109.04

As per our report annexed

For M/s Jagannathan & N. Krishnaswami,
Chartered Accountants
Firm Registration Number - 001208S

K. SRINIVASAN
Partner
Membership No. 21510
RAJAPALAYAM,
28th May, 2019.

On behalf of the Board of Directors

S. KANTHIMATHINATHAN
DIRECTOR

G. RAMACHANDRAN
CHIEF FINANCIAL OFFICER

P.J. RAMKUMAR RAJHA
DIRECTOR

S. MUTHUSAMY
CHIEF EXECUTIVE OFFICER

A. KARTHISWARAN
SECRETARY

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 : U17111TN1961PLC004505

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 57th Annual General Meeting of the Company, to be held on Wednesday, the 14th August, 2019 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, 2019.
2	Appointment of Shri S. Kanthimathinathan as Director, who retires by rotation.

Signed this day of 2019

Signature of Shareholder :

Signature of Proxy holder(s) :

Affix
Revenue
Stamp

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.

THANJAVUR SPINNING MILL LIMITED

[CIN : U17111TN1961PLC004505]

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

ATTENDANCE SLIP

(To be handed over at the entrance of the Meeting Hall)

I / We hereby record my/our presence at the 57th Annual General Meeting of the Company.

Venue : P.A.C. Ramasamy Raja Centenary Community Hall, Sudarsan Gardens, P.A.C. Ramasamy Raja Salai, Rajapalayam - 626 108.

Date & Time : Wednesday, 14th August, 2019, at 11.30 AM

Name of the Member _____ Folio No/DP ID - Client ID _____

Name of the Proxy* _____ Signature of Member / Proxy Attending _____

*(To be filled in, if the proxy attends instead of the Member)