

GNANAMBIKAI MILLS LIMITED
CIN : U17111TZ1935PLC000056
COIMBATORE

BOARD OF DIRECTORS

Chairman

Shri. V.S. Chinnaswamy

Managing Director

Shri. Senthil Chinnasamy

Directors

Shri. V.S.Kulandaivel

Smt. Banumathy Chinnaswamy

Shri. M. Suresh

Shri. D.Ashok Kumar

AUDITOR

Mr. K.K. VELUMANI

CHARTERED ACCOUNTANT

COIMBATORE

BANKERS

YES BANK LTD

REGISTERED OFFICE

ALANKAR BUILDING

III FLOOR, 551, D.B. ROAD

R.S.PURAM

COIMBATORE - 641 002

MILL

POST BOX NO. 5307

GNANAMBIKAI MILLS POST

COIMBATORE - 641 029

NOTICE TO SHARE HOLDERS

Notice is hereby given that the 82nd Annual General Meeting of the members of the Company will be held at the Registered Office of the Company at Alankar Building, 3rd Floor, 551, D.B. Road, R.S. Puram, Coimbatore-641 002, on Monday, 30th September 2019 at 4.45 PM to transact the following business. All members are requested to attend.

AGENDA

ORDINARY BUSINESS :

1. To receive, consider and adopt the accounts for the period ended 31st March, 2019, the Balance Sheet as on 31st March 2019 and the statement of Profit and Loss for the period ended as on that date and Report of Board of Directors and the Auditors thereon.
2. To appoint a Director in the place of Shri. V.S. Kulandaivel having (DIN 01086943) who retires by rotation and being eligible, offers herself for re-appointment.
3. To appoint a Director in the place of Smt. Banumathy Chinnaswamy having (DIN 01745007) who retires by rotation and being eligible, offers himself for re-appointment.
4. To fix remuneration to Statutory Auditor

Notes :

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/ herself. Such proxy need not be a member of the company. But a person can act as proxy on behalf of members not exceeding fifty (50) and holding not more than ten percent of the total share capital of the Company.
2. The instrument appointing the proxy, duly completed, must be deposited at the Company's Registered Office not less than 48 Hours before the commencement of the meeting. A Proxy Form for the AGM is enclosed herewith.
3. Members/Proxies should bring the duly filled attendance slip enclosed herewith to attend the meeting.
4. As per the green initiative taken by the Ministry of Corporate Affairs, the shareholders are advised to register their e-mail address with the Company in respect of shares held in physical form to enable the Company to serve documents in electronic form.
5. All unclaimed dividend shall be transferred to the "Investor Education and Protection Fund" of the Central Government after a period of 7 years from the date of declaration.

Place: Coimbatore

Date : 03.09.2019

By Order of the Board,

Senthil Chinnasamy
Managing Director
(DIN : 00020229)

Details of Director seeking re-appointment pursuant of Secretarial Standards (SS-2)

Name	Shri. V.S. Kulandaivel
DIN	01086943
Date of Birth	12.10.1940
Date of Appointment on the Board	13.02.1968
Inter-se relationship with other Directors	Brother of Chairman
Qualification	Graduate
Expertise in area	Industrialist
No. of Shares held	500
Board Position held	Director
Terms and conditions of appointment/re-appointment	Rotation by retirement
Remuneration	NIL
Number of Board Meetings attended during the year	5
Directorships held in other Companies	1. V.S.K. Suganya Agricultural Farms Private Limited 2. V.S.K. Praveena Agricultural Farms Private Limited 3. VEE CE YES Industrial Private Limited
Chairmanship/Membership in other Committees	-

Name	Smt. Banumathy Chinnaswamy
DIN	01745007
Date of Birth	05.12.1945
Date of Appointment on the Board	16.10.2004
Inter-se relationship with other Directors	Wife of Chairman
Qualification	Graduate
Expertise in area	Industrialist
No. of Shares held	1950
Board Position held	Director
Terms and conditions of appointment/re-appointment	Rotation by retirement
Remuneration	NIL
Number of Board Meetings attended during the year	5
Directorships held in other Companies	1.V.C.S. Spinners Private Limited
Chairmanship/Membership in other Committees	-

DIRECTORS' REPORT

Ladies and Gentleman,

Your Directors are pleased to present the 82nd Annual Report of your Company together with the Audited Statement of Accounts and the Auditors' Report of your company for the financial year ended, 31st March, 2019. The summarized financial results for the year ended 31st March, 2019 are as under :

FINANCIAL PERFORMANCE

The Performance of the Company for the Financial Year ended 31st March, 2019 is summarized below :

Particular for the financial year	31.03.2019	31.03.2018
Total Revenue	2,80,67,582	1,63,73,910
Less : Total Expenses(excluding Finance Cost, Depreciation and Amortisation Expense & Exceptional Items and Tax)	2,21,14,593	1,09,13,352
Profit/(Loss) Before Interest and Depreciation	59,52,989	54,60,558
Less: Finance Cost / Interest	31,76,553	35,22,338
Less: Depreciation & Amortisation Expense	17,61,779	17,78,552
Less: Exceptional items	-	3,516
Profit/(Loss)Before Tax	10,14,657	1,63,183
Less: Tax	2,36,300	(3,32,400)
Profit/(Loss) After Tax(from continuing operations)	12,50,957	(1,69,217)
Add: Loss After Tax (from discontinuing operations)	-	-
Profit/(Loss) for the Year	12,50,957	(1,69,217)

DIVIDEND

Yours Directors regret their inability to recommend any dividend for the financial year ended 31st March, 2019 in view of inadequacy of profits.

PERFORMANCE REVIEW

During the financial year under review, the Profit after depreciation and tax were Rs. 12.50 lakhs as against Loss of Rs. 1.69 lakhs in the previous year. The company has taken initiative to improve revenue, by letting out a portion of the building as per Its objective mentioned in the memorandum and by increasing its trading activities. During the year, the company has made a turnover of Rs. 127.26 lakhs from Cotton Waste and Cotton Yarn Trading as well as Rs. 153.41 lakhs towards renting of immovable Property.

OUT LOOK

The company explore the possibility of extending the trading of cotton yarn and cotton. In addition to that efforts are being made to improve the business activities, to enter new areas & products and to increase the revenue of the company.

DIRECTORS

In accordance with the Companies Act, 2013 and the Company's Articles of Association, Shri.V.S. Kulandaivel and Smt. Banumathy Chinnaswamy Directors of the Company retire by rotation at the ensuing Annual General Meeting.

DEPOSITS

Your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

SHARE CAPITAL

During the year under review the Company has not made any changes in the Capital Structure of the Company.

NUMBER OF BOARD MEETINGS HELD

A calendar of Meetings is prepared and circulated in advance to the Directors.

The Board of Directors duly met 5 times during the financial year from 01st April, 2018 to 31st March 2019 as per the provisions of the companies Act 2013, read with applicable secretarial standard. The dates on which the meetings were held are as follows :

25th April 2018, 18th July 2018, 03rd Sep 2018, 12th November 2018 and 11th February 2019.

S.No.	Name of Directors	Number of Meeting Eligible	Number of Meeting Attended
1	Shri. V.S. Chinnaswamy	5	5
2	Shri. Senthil Chinnasamy	5	5
3	Shri. V.S. Kulandaivel	5	5
4	Smt. Banumathy Chinnaswamy	5	5
5	Shri. M. Rathinasabapathy	5	2
6	Shri. M. Suresh	5	5
7	Shri. D. Ashok Kumar	5	5

MATERIAL CHANGES AND COMMITMENTS

There have not been any material changes and commitments affecting the financial position of the Company between the end of the financial year of the Company as on 31st March, 2019 and the date of this report i.e. 3rd September, 2019.

EXIT FROM DISSEMINATION BOARD OF NSE AND DELISTING STATUS

The Company had received a letter dated 03.12.2014 from Madras Stock Exchange Limited informing that, the company had ceased to be a listed company and moved on to Dissemination Board of NSE with effect from 01.12.2014. Further, in lieu of the company ceased to be a listed company with MSE, the CIN L17111TZ1935PLC000056 had been changed to U17111TZ1935PLC000056. Hence, compliances of Listing Agreement and Secretarial Audit under Section 204 of the Companies Act, 2013, read with Rule 9 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 and other related Compliances does not arise for the Company. During the year, the company had applied to National Stock Exchange of India Limited to provide exit opportunity to shareholders and also submitted necessary papers and documents. Subsequently the company had been removed from Dissemination Board of NSE as per the Communication Circular dated 16.04.2019. Mr.V.S.Chinnaswamy Chairman of the company, had deposited the money Rs.22 lakhs in an Escrow Account and executed a Bank Guarantee for Rs.40 lakhs in favour of NSE by pledging his fixed deposit on behalf of the company. Further, the payment was made from Escrow Account to those who have submitted shares and the said shares were transferred to Mr.V.S.Chinnaswamy. The shareholders have submitted 1620 shares upto 31.03.2019. Further, 270 shares were submitted upto 03.09.2019 and the process of submitting and payment of consideration is in progress for 1515 shares.

The Public Announcement Pursuant to Provisions of Clauses (iv), (v), (vi) & (ix) of Annexure – A TO SEBI CIRCULAR SEBI/HO/MRD/DSA/CIR/P/2016 /110 Dated October 10, 2016 was made on 03.01.2019 and individual letter were also sent to the shareholders. The said exit offer valid up to a period of one year till 04.01.2020 and there was a committee formed for the exit offer purpose and the same met periodically for implementation of exit offer proceedings.

AUDITOR

Mr.K.K.Velumani, Chartered Accountant, Coimbatore (Membership Number 3960) appointed as the Statutory Auditor of the Company, to hold office for a period of 5 years from the conclusion of 80th Annual General Meeting until the conclusion of the 85th Annual General Meeting to be held in the calendar year 2022. However, as per the Ministries of Corporate Affairs notification dated 07.05.2018 omitted the ratification of appointment of Statutory Auditor by the shareholders at every Annual General Meeting. Hence, ratification of appointment of Statutory Auditor by share holders at the ensuing Annual General Meeting does not arise.

INTERNAL AUDITOR

Appointment of an internal auditor for the financial year 2018-19 pursuant to Section 138 of the Companies Act, 2013 and read with Rule 13 of the Companies (Accounts) Rules, 2014 does not arise, as the company has ceased to be a listed Company with Madras Stock Exchange Limited and has been placed on the Dissemination Board of NSE with effect from 01.12.2014, subsequently the company has been removed from Dissemination Board of NSE as per the Communication Circular dated 16.04.2019.

COST AUDIT

Provisions relating to Cost Audit and Cost Compliance are not applicable to the Company.

OBSERVATION OF STATUTORY AUDITOR IN RESPECT OF THEIR AUDIT REPORT

Auditors' observations are suitably explained in the notes to the Accounts and are self explanatory.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

During the year, the Company has not provided any loans, guarantees and made investments covered under the provisions of Section 186 of the Companies Act, 2013. Hence no information as per provisions of Section 134(3)(g) of the Companies Act, 2013 has been furnished.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Internal Complaints Committee (ICC) has been set up by the Company to redress complaints received in respect of Sexual Harassment. All employees are covered under this policy. The Company has not received any sexual harassment complaint at workplace during the year 2018-19.

CONTRACTS/ARRANGEMENTS WITH RELATED PARTIES

Details of Contracts/arrangement with the related form part of this report. All related party transactions that were entered into during the year under report were on arm's length basis and were in the ordinary course of business. The related party transactions made by the Company with Promoter Company, have no potential conflict with the interest of the Company at large. The Company management ensures all the Related Party Transactions to establish Arm's Length Basis without any compromise.

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

Information required under section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, is given in the Annexure-A to this report.

PARTICULARS OF EMPLOYEES

There are no employees covered under the provisions of Section 134 (3) (q) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

CORPORATE SOCIAL RESPONSIBILITY

Provision relating CSR under section 135 of the Companies Act, 2013 is not applicable to the company.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 134(5) of the Companies Act, 2013, the directors would like to state that :

- a) In the preparation of the annual accounts for the year ended 31st March, 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) The directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for the same period;
- c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) The directors had prepared the annual accounts on a going concern basis; and
- e) The directors, in the case of a listed company, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such system are adequate and operating effectively.

Acknowledgements :

Your Directors wish to thank the Company's Bankers, Investors, Customers, Suppliers and Employees for their continuing support in the smooth functioning of your company.

Annexure - A

A. CONSERVATION OF ENERGY

Your company has not carried any manufacturing activities during the reporting period. Hence, disclosure of Conversion of energy does not arise.

B. TECHNOLOGY ABSORPTION

Your company has not carried any manufacturing activities during the reporting period. Hence, disclosure of Technology Absorption does not arise.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

During the financial year 18-19 & previous financial year 17-18 there is/was no earnings and outgo of foreign exchange.

By Order of the Board,

Place: Coimbatore

Date : 03.09.2019

V.S. Chinnaswamy
Chairman
(DIN : 01745060)

ADDENDUM TO THE BOARDS REPORT UNDER SUB SECTION (3)(f)(i) OF
SECTION 134 OF COMPANIES ACT, 2013

1. With regards to the auditor's remarks for non compliance of SEBI Guidelines, the management has made written letter to the concerned authorities asking sufficient time to comply guidelines and waiver of penalty. Since the notice was received in 2004, the 14 years period is over and the company ceased to be a listed Company with Madras Stock Exchange Ltd and has been placed on the Dissemination Board of NSE with effect from 01.12.2014, hence, this issue of penalty may be closed.
2. The unsecured loan was obtained from a director during the year 2001-02 out of which an amount of Rs.53,00,000/- has been pending for repayment and the director has ceased to be a director. This may be repaid in the forthcoming year.

Place: Coimbatore
Date : 03.09.2019

By Order of the Board,

V.S. Chinnaswamy
Chairman
(DIN : 01745060)

Annexure-B
Form No. 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

i. CIN	U17111TZ1935PLC000056
ii. Registration Date	12/02/1935
iii. Name of the Company	Gnanambikai Mills Limited
iv. Category/Sub-Category of the Company	Company Limited by Shares / Indian Non – Government Company
v. Address of the Registered Office and Contact details	Alankar Building, 3 rd Floor, 551 Dewan Bhadur Road, R.S. Puram, Coimbatore - 641 002.
vi. Whether listed company	Ceased to be a listed Company with Madras Stock Exchange Limited and has been placed on the Dissemination Board of NSE with effect from 01.12.2014.
vii. Name, Address and Contact details of Registrar and Transfer Agent, if any	Not Applicable

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Rental Income	68100	54.58%
2.	Cotton Waste Trading	05202	45.42%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the company	CIN/GLN	Holding/Subsidiary/ Associate	% of Shares Held	Applicable Section
	N A	N A	N A	N A	N A

IV. SHARE HOLDING 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	
<i>A. Promoters</i>									
a) Individual/HUF	NIL	5,00,410	5,00,410	92.70	NIL	5,02,030	5,02,030	93.00	0.30
b) Central Govt.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) State Govt. (s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) Bodies Corp.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
e) Banks / FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f) Any Other....	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-total (A) (1) :-	NIL	5,00,410	5,00,410	92.70	NIL	5,02,030	5,02,030	93.00	0.30
(2) Foreign									
a) NRIs - Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Other – Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) Bodies Corp	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) Banks / FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
e) Any Other....	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-total (A) (2):-	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	NIL	5,00,410	5,00,410	92.70	NIL	5,02,030	5,02,030	93.00	0.30
<i>B. Public Shareholding</i>									
<i>1. Institutions</i>									
a) Mutual Funds/Banks/FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Central Govt	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) State Govt.(s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) Venture Capital funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
e) Insurance Companies	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f) FIIs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
g) Foreign Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
h) Others(specify)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-total (B)(1):-	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<i>2. Non-Institutions</i>									
a) Bodies Corp	NIL	3,210	3,210	0.59	NIL	3,210	3,210	0.59	NIL
i) Indian	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
ii) Overseas	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	NIL	36,180	36,180	6.70	NIL	34,560	34,560	6.40	(0.30)
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) Others (Specify)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-total (B)(2):-	NIL	36,180	36,180	6.70	NIL	34,560	34,560	6.40	(0.30)
Total Public Shareholding (B) = (B)(1) + (B)(2)	NIL	39,390	39,390	7.30	NIL	37,770	37,770	7.00	(0.30)
1(C) Shares held by Custodian for GDRs & ADRs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Grand Total (A+B+C)	NIL	5,39,800	5,39,800	100.00	NIL	5,39,800	5,39,800	100.00	NIL

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% 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.V.S.Chinnaswamy	54,750	10.14	0	56,370	10.44	0	0.30
2	Shri.V.S.Kulandaivel	500	0.09	0	500	0.09	0	0.00
3	Smt.Banumathy Chinnaswamy	1,950	0.36	0	1,950	0.36	0	0.00
4	Shri.Ramkumar Giri	3,24,700	60.15	0	3,24,700	60.15	0	0.00
5	Smt. Saranya Ramkumar	750	0.14	0	750	0.14	0	0.00
6	Shri. Senthil Chinnasamy	6,975	1.29	0	6,975	1.29	0	0.00
7	Shri. M.Suresh	23,965	4.44	0	23,965	4.44	0	0.00
8	Shri. D.Ashok Kumar	20,820	3.86	0	20,820	3.86	0	0.00
9	Shri. M.Rathinasabapathy	500	0.09	0	500	0.09	0	0.00
10	Shri.C.N.Subramaniam	780	0.14	0	780	0.14	0	0.00
11	Shri. J.C. Krishnakumar	25,755	4.77	0	25,755	4.77	0	0.00
12	Smt. Purni Krishnakumar	22,565	4.18	0	22,565	4.18	0	0.00
13	Smt. Akhila Senthil	10,960	2.03	0	10,960	2.03	0	0.00
14	MS. Shivani Senthil	5,440	1.01	0	5,440	1.01	0	0.00
	Total	5,00,410	92.70	0	5,02,030	93.00	0	0.30

iii) Changes in Promoters' Shareholding :

Sl. No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
1.	Mr. V.S. Chinnaswamy	No. of Shares	% of total Shares of the Company	No of Shares	% of total Shares of the Company
	At the beginning of the year	54,750	10.14	54,750	10.14
	Share Transferred on 11-02-2019	1,620	0.30	1620	0.30
	At the End of the year	56,370	10.44	56,370	10.44

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
1	Mrs.R. Palaniammal	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	At the beginning of the year	2,435	0.45	N.A.	N.A.
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	N.A.	N.A.	N.A.	N.A.
	At the End of the year (or on the date of separation, if separated during the year)	N.A.	N.A.	2,435	0.45

Sl. No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
2	The Sree Meenakshi Mills Ltd	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	At the beginning of the year	1,860	0.34	N.A.	N.A.
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	N.A.	N.A.	N.A.	N.A.
	At the End of the year (or on the date of separation, if separated during the year)	N.A.	N.A.	1,860	0.34

Sl. No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
3	Mr.V.K.Selvakumar	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	At the beginning of the year	1515	0.28	N.A.	N.A.
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	N.A.	N.A.	N.A.	N.A.
	At the End of the year (or on the date of separation, if separated during the year)	N.A.	N.A.	1515	0.28

Sl. No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
4	Mr.V.K.Prabakaran	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	At the beginning of the year	1515	0.28	N.A.	N.A.
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	N.A.	N.A.	N.A.	N.A.
	At the End of the year (or on the date of separation, if separated during the year)	N.A.	N.A.	1515	0.28

Sl. No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
5.	Mrs.Jaya Meenakshisundaram	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	At the beginning of the year	1500	0.28	N.A.	N.A.
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	N.A.	N.A.	N.A.	N.A.
	At the End of the year (or on the date of separation, if separated during the year)	N.A.	N.A.	1500	0.28

Sl. No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
6.	Mrs.Rajambal Veluswamy	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	At the beginning of the year	1275	0.24	N.A.	N.A.
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	N.A.	N.A.	N.A.	N.A.
	At the End of the year (or on the date of separation, if separated during the year)	N.A.	N.A.	1275	0.24

Sl. No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
7.	Mr.V.V.Sundaram	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	At the beginning of the year	1185	0.22	N.A.	N.A.
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	N.A.	N.A.	N.A.	N.A.
	At the End of the year (or on the date of separation, if separated during the year)	N.A.	N.A.	1185	0.22

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
8.	M/s. Pudhukotai Corporation P Ltd.,	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	At the beginning of the year	900	0.17	N.A.	N.A.
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	N.A.	N.A.	N.A.	N.A.
	At the End of the year (or on the date of separation, if separated during the year)	N.A.	N.A.	900	0.17

Sl. No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
9.	Mr.V.V.Kaliswamy Gounder & Mrs.Sivakamiammal				
	At the beginning of the year	870	0.16	N.A.	N.A.
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	N.A.	N.A.	N.A.	N.A.
	At the End of the year (or on the date of separation, if separated during the year)	N.A.	N.A.	870	0.16

Sl. No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
10.	Mr.M.Padmanaban				
	At the beginning of the year	750	0.14	N.A.	N.A.
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	N.A.	N.A.	N.A.	N.A.
	At the End of the year (or on the date of separation, if separated during the year)	N.A.	N.A.	750	0.14

v) Shareholding of Directors and Key Managerial Personnel;

Sl. No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	For Each of the Directors and KMP				
1	SENTHIL CHINNASAMY a) At the beginning of the year b) Changes during the year c) At the end of the year	6975 NO CHANGE DURING THE YEAR 6975	1.29 1.29 1.29	6975 6975 6975	1.29 1.29 1.29
2	V.S.CHINNASWAMY a) At the beginning of the year b) Shares Transferred on 11-02-2019 c) At the end of the year	54750 1,620 56,370	10.14 0.30 10.44	54750 1,620 56,370	10.14 0.30 10.44
3.	V.S.KULANDAIVEL a) At the beginning of the year b) Changes during the year c) At the end of the year	500 NO CHANGE DURING THE YEAR 500	0.09 0.09 0.09	500 500 500	0.09 0.09 0.09
4.	BANUMATHY CHINNASWAMY a) At the beginning of the year b) Changes during the year c) At the end of the year	1950 NO CHANGE DURING THE YEAR 1950	0.36 0.36 0.36	1950 1950 1950	0.36 0.36 0.36
5.	M. SURESH a) At the beginning of the year b) Changes during the year c) At the end of the year	23965 NO CHANGE DURING THE YEAR 23965	4.44 4.44 4.44	23965 23965 23965	4.44 4.44 4.44
6.	D. ASHOK KUMAR a) At the beginning of the year b) Changes during the year c) At the end of the year	20820 NO CHANGE DURING THE YEAR 20820	3.86 3.86 3.86	20820 20820 20820	3.86 3.86 3.86

V. INDEBTEDNESS

Rs in lakhs

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

	Secured Loans excluding	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	238.42	505.43	41.00	784.85
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	6.08	28.10	34.18
Total (i+ii+iii)	238.42	511.51	69.10	819.03
Change in Indebtedness during the financial year				
• Addition	35.15	3.04	2.21	40.40
• Reduction	(48.54)	(3.00)	(1.76)	(53.30)
Net Change	(13.39)	0.04	0.45	(12.90)
Indebtedness at the end of the financial year				
i) Principal Amount	225.03	502.43	41.00	768.46
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	9.11	28.55	37.66
Total (i+ii+iii)	225.03	511.55	69.55	806.12

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount
1.	Gross salary	Senthil Chinnasamy	-	-	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	12,00,000	N A	N A	N A	12,00,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	6,88,560	NA	NA	NA	6,88,560
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	N A	N A	N A	N A	N A
2	Stock Option	N A	N A	N A	N A	N A
3	Sweat Equity	N A	N A	N A	N A	N A
4	Commission- as % of profit- others, specify...	N A	N A	N A	N A	N A
5	Others, please specify	N A	N A	N A	N A	N A
	TOTAL (A)	18,88,560	NA	NA	NA	18,88,560
	Ceiling as per the Act	NA	NA	NA	NA	NA

B. Remuneration to Other Directors: Not Applicable

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
	<i>Independent Directors</i>				
	Fee for attending board / committee meetings	N A	N A	N A	N A
	Commission	N A	N A	N A	N A
	Others, please specify	N A	N A	N A	N A
	Total (1)	N A	N A	N A	N A
	<i>Other Non-Executive Directors</i>				
	Fee for attending board / committee meetings	N A	N A	N A	N A
	Commission	N A	N A	N A	N A
	Others, please specify	N A	N A	N A	N A
	Total (2)	N A	N A	N A	N A
	Total (B)=(1+2)	N A	N A	N A	N A
	Total Managerial Remuneration	N A	N A	N A	N A
	Overall Ceiling as per the Act	N A	N A	N A	N A

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD: Not Applicable

Sl. No.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount
		CEO	Company Secretary	CFO	
1.	Gross salary	-	-	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	N A	N A	N A	N A
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	N A	N A	N A	N A
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	N A	N A	N A	N A
2	Stock Option	N A	N A	N A	N A
3	Sweat Equity	N A	N A	N A	N A
4	Commission- as % of profit- others, specify...	N A	N A	N A	N A
5	Others, please specify	N A	N A	N A	N A
	TOTAL (C)	N A	N A	N A	N A
	Ceiling as per the Act	N A	N A	N A	N A

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES: *Not Applicable*

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	N A	N A	N A	N A	N A
Punishment	N A	N A	N A	N A	N A
Compounding	N A	N A	N A	N A	N A
B.DIRECTORS					
Penalty	N A	N A	N A	N A	N A
Punishment	N A	N A	N A	N A	N A
Compounding	N A	N A	N A	N A	N A
C.OTHER OFFICERS IN DEFAULT					
Penalty	N A	N A	N A	N A	N A
Punishment	N A	N A	N A	N A	N A
Compounding	N A	N A	N A	N A	N A

INDEPENDENT AUDIT REPORT
To the Members of M/s. GNANAMBIKAI MILLS LIMITED
Report on the audit of the Financial Statements

UDIN: 19003960AAAAAC8009

Opinion

I have audited the accompanying financial statements of M/s GNANAMBIKAI MILLS LIMITED ("the Company") which comprises the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information. In my opinion and to the best of my information and according to the explanations given to me, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India,

- 1) of the state of affairs of the Company as at March 31, 2019,
- 2) its Profits and
- 3) its Cash Flows for the year ended on that date.

Basis for Opinion

I conducted my audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. My responsibilities under those Standards are further described in the auditor's Responsibilities for the audit of the Financial Statements section of my report. I am independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to my audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the Code of Ethics.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibility of Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement 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 also responsible for overseeing the company's financial reporting process

Auditor's Responsibility for the Audit of the Financial Statements

My objectives is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Standards on Auditing specified under Section 143(10), I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, I am also responsible for expressing my opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions is based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. I consider quantitative materiality and qualitative factors in

- (i) Planning the scope of my audit work and in evaluating the results of my work and
- (ii) To evaluate the effect of any identified misstatements in the financial statements.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

EMPHASIS OF MATTER:

I draw attention to the following matters in the notes to the financial statements:

The company has received demand notice on 16th November 2004 for levy of penalty of Rs175000/- from SEBI towards non compliance of guidelines and violation of take over regulations. The company has not made any provision and hence loss is understated and reserves and surplus is overstated to that extent.

The Company has received a letter dated 03.12.2014 from Madras Stock Exchange Limited informing that, the company has ceased to be a listed company and moved on to Dissemination Board of NSE with effect from 01.12.2014. Further, in lieu of the company ceased to be a listed company with MSE, the CIN L17111TZ1935PLC000056 has been changed to U17111TZ1935PLC000056. Hence, Compliances of Listing Agreement and Secretarial Audit under Section 204 of the Companies Act, 2013, read with Rule 9 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 and other related Compliances does not arise for the Company. During the year, the company has applied to National Stock Exchange of India Limited to provide exit opportunity to shareholders and also submitted necessary papers and documents Subsequently the company has been removed from Dissemination Board of NSE as per the Communication Circular dated 16.04.2019. Mr.V.S.Chinnaswamy Chairman of the company, has deposited the money Rs.22 lakhs in an Escrow Account and executed a Bank Guarantee for Rs.40 lakhs in favour of NSE by pledging his fixed deposit on behalf of the company. Further, the payment was made from Escrow Account to those who have submitted shares and the said shares were transferred to Mr.V.S.Chinnaswamy. The shareholders have submitted 1620 shares upto 31.03.2019. Further, 270 shares were submitted upto 03.09.2019 and the process of submitting and payment of consideration is in progress for 1515 shares.

The company has received a notice from the office of the commissioner of customs Tuticorin dated 03.02.2017 requesting to furnish the documents relating to the EPCG licence No:3230008252, for which the company has submitted a reply vide letter dated 01.03.2017 submitting the documents required.

A loan was obtained from a director during the year 2001-02 out of which an amount of Rs.53,00,000/- has been pending for repayment and the director has ceased to be a director.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor Report), Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, I give in Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

As required by Section 143(3) of the Act, I report that:

- (a) I have sought and obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of my audit.
- (b) In my opinion, proper books of account as required by law have been kept by the Company so far as it appears from my examination of those books
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
- (d) In my 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 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) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to my separate report in "Annexure B".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197 (16) of the Act, as amended, in my opinion and to the best of my information and according to the explanations given to me, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act
- (h) 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 my opinion and to the best of my information and according to the explanations given to me:

1. The Company has disclosed the impact of pending litigations on its financial position in its financial statements as below:
Note No.35 The company has filed a case against M/s Padmanabha Auto Weavers, M/s Sri Vaari Spinning Mills, M/s.S.S.M Mills Limited and M/s V.R.Textiles P Ltd amounting to Rs.2,26,600/- Rs.19,19,337/- Rs.2,40,830/- and Rs.60,06,431/- respectively towards sale of cotton yarn and cotton, which is pending in the court.
2. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
3. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Place : Coimbatore

Date : 03.09.2019

K.K. Velumani

Chartered Accountant

Membership No.3960

Annexure-A to the Independent Auditors' Report

The Annexure referred to in paragraph 1 under "Report on Other Legal and Regulatory Requirements" of my report of even date to the members of GNANAMBIKAI MILLS LIMITED ("the company").

On the accounts of the company for the year ended 31st March 2019.

On the basis of such checks as I considered appropriate and according to the information and explanations given to me during the course of my audit, I report that:

- (a) The company is maintaining proper records showing full particulars including quantitative details and situation of its fixed assets.
- (b) The Company has a program of physical verification to cover all the items of fixed assets in a phased manner over a period of three years, which, in my opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to me, no material discrepancies were noticed on such verification.
- (c) As per the information and explanations and records provided for verification, all the immovable properties held by the company are owned by the company and the title deeds and other documents are held in the name of the company. Except the following Note No.28. The Company's title of land bearing S.F.No.305 and 324 in which to the extent of 62 cents is under dispute for which the suit are pending before of the Honourable high court of Chennai.

2. According to the information and explanations given to me physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed.

3. According to the information and explanations given to me and on the basis of my examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Consequently, the provisions of clauses 3(a) and 3(b) is not applicable.

4. The company has not provided loans or investments or guarantees or securities which fall under the purview of sec 185 and 186 of the Companies Act 2013. Accordingly paragraph 3(iv) of the act is not applicable.

5. According to the information and explanations given to me, the company has accepted deposits from related parties

Particulars	Name of the Party	Amount as on 31.03.2019	Remarks
Inter corporate Deposits from companies in which directors are interested	M/s. GNM Textiles Pvt Ltd	4100000	
Interest free fixed deposits from shareholders	Shri.Ramkumar Giri	5300000	
Interest free fixed deposits from Directors	Shri.Senthil Chinnasamy	13600000	
Interest free fixed deposits from Director	Shri.V.S. Chinnaswamy	26000000	
Interest free Cumulative deposits from Director	Shri.V.S. Chinnaswamy	814000	
Interest free Cumulative deposits from Director	Shri.V.S. Chinnaswamy	279353	
Unsecured loans @ 9%	Shri.Senthil Chinnasamy	4250000	
		54343353	

The company has not accepted any deposits from the public as mentioned under sections 73 to 76 of the companies act 2013.

6. The Central Government of India has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Act for any of the activities of the company and accordingly paragraph 3 (vi) of the order is not applicable to the company since the turnover is within the prescribed limit.

7. According to the information and explanations given to me, the company is regular in depositing with the appropriate authorities the undisputed statutory dues in the case of Provident Fund, Employees State Insurance, Income tax, Sales Tax, Excise Duty, Service Tax, Cess, Wealth Tax, Tax deducted at Source, GST and other material Statutory dues. To the best of my knowledge and according to the information and explanations given to me, there are no arrears of outstanding statutory dues as at March 31st, 2019 except ESI Payable Rs.1.83.057/- & Urban Land Tax Payable Rs.15,28,144/-.

8. In my opinion and according to the information and explanations given to me, the company has not defaulted in repayment of any dues to financial institutions and banks.

9. In my opinion and according to the information and explanations given to me, the company has not raised any money by the way of initial public offer (including debt instruments) and hence this clause is not applicable.

10. According to the information and explanations given to me, by the company, no fraud on or by the company has been noticed or reported, during the year.

11. In my opinion and according to the information and explanations given to me, the Company has paid/ provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

12. The company is not a Nidhi company hence the provisions of clause 3(12) of the order is not applicable.

13. All transactions mentioned are in compliance with Sec 188 of the Companies Act, 2013 and are disclosed as required under the applicable Accounting Standard.

14. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence clause 3(14) is not applicable.

15. The company has not entered into any non-cash transactions with the directors or the persons connected with him which will come under the preview of sec 192 of the Companies Act, 2013.

16. As the company is not in non-banking financial services the Company is not required to be registered u/s 45-IA of the Reserve Bank of India Act, 1934.

Place : Coimbatore
Date : 03.09.2019

K.K. Velumani
Chartered Accountant
Membership No.3960

Annexure-B to the Independent Auditors' Report

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' of the Independent Auditors' Report to the members of the company on the Financial Statements for the year ended on 31st March 2019)

Report on the Internal Financial Controls under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

I have audited the internal financial controls over financial reporting of GNANAMBIKAI MILLS LIMITED ("the Company"), as of 31 March 2019 in conjunction with my audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The board of directors of the Company is responsible for establishing and maintaining internal financial controls 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 ('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, 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

My responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on my audit. I 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, prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that I 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.

My audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. My 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 & evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion on the Company's internal financial control system 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 record 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 the receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of company.
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 control 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 control 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.

Opinion

In my opinion and according to the information and explanations given to me the Company has, in all material respects, an adequate internal financial controls system over financial reporting were operating effectively as at 31.03.2019, 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 control over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place : Coimbatore
Date : 03.09.2019

K.K. Velumani
Chartered Accountant
Membership No.3960

BALANCE SHEET FOR THE YEAR ENDED 31.03.2019

Particulars	Note No	Amount in Rs.	
		As at 31.03.2019	As at 31.03.2018
I EQUITY AND LIABILITIES			
(1) SHAREHOLDERS FUNDS			
(a) Share Capital	1	53,98,000	53,98,000
(b) Reserves and Surplus	2	(20,38,358)	(32,89,315)
(c) Money received against share warrants		-	-
(2) SHARE APPLICATION MONEY PENDING ALLOTMENT		-	-
(3) NON-CURRENT LIABILITIES			
(a) Long-Term Borrowings	3	7,39,99,602	7,61,01,798
(b) Deferred Tax Liabilities (Net)		-	-
(c) Other Long Term Liabilities	4	1,00,06,226	98,96,226
(d) Long Term Provisions		-	-
(4) CURRENT LIABILITIES			
(a) Trade Payables	5	39,99,843	50,98,345
(b) Other Current Liabilities	6	1,06,92,905	94,40,677
(c) Short-Term Provisions	7	6,87,538	4,83,483
TOTAL EQUITY & LIABILITIES		10,27,45,756	10,31,29,214
II. ASSETS			
(1) NON-CURRENT ASSETS			
(a) Fixed Assets	8		
(i) Tangible Assets		7,68,69,765	7,85,31,981
(ii) Intangible Assets		-	-
(iii) Capital Work in Progress		-	-
(iv) Fixed assets pertaining to discontinuing operations and held for sale		-	-
(b) Non-Current Investments	9	10,518	14,092
(c) Deferred Tax Asset	10	43,61,800	41,25,500
(d) Long Term Loans and Advances	11	22,06,937	15,79,126
(e) Other Non-Current Assets	12	2,40,830	2,40,830
(2) CURRENT ASSETS			
(a) Current Investments		-	-
(b) Inventories		-	24,40,240
(c) Trade Receivables	13	1,12,69,047	1,04,79,537
(d) Cash and Bank Balances	14	14,06,681	7,16,650
(e) Short-Term Loans and Advances	15	48,41,960	35,08,770
(f) Other Current Assets	16	15,38,218	14,92,488
		10,27,45,756	10,31,29,214

Notes on Financial Statements 1 to 24

For and on behalf of the Board

V.S.Chinnaswamy
Chairman
(DIN: 01745060)

Senthil Chinnasamy
Managing Director
(DIN: 00020229)

K.K. Velumani
Chartered Accountant
Membership No.3960

Place: Coimbatore
Date : 03.09.2019

V.S.Kulandaivel
Director
(DIN: 01086943)

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED - 31.03.2019

Amount in Rs.

Particulars	Note.No	As at 31.03.2019	As at 31.03.2018
I Revenue from Operations	17	1,27,26,255	20,25,875
II Other Income	18	1,53,41,327	1,43,48,035
III Total Revenue (I+II)		<u>2,80,67,582</u>	<u>1,63,73,910</u>
IV Expenses :			
Cost of Materials Consumed			
Purchase of Stock-in-Trade	19	1,22,45,763	20,04,550
Changes in inventories of finished goods, Work-in-progress and Stock-in-Trade	-	-	-
Employee Benefit Expense	20	45,51,263	49,33,776
Financial Costs	21	31,76,553	35,22,338
Depreciation and Amortization Expense	22	17,61,779	17,78,552
Other Expenses	23	53,17,567	39,75,027
Total Expenses (IV)		<u>2,70,52,925</u>	<u>1,62,14,243</u>
V Profit / (Loss) before exceptional and extraordinary items and tax(III-IV)		10,14,657	1,59,667
VI Exceptional Items			
Profit on Sale of Assets		-	3,516
VII Profit /(Loss) before Extraordinary Items and Tax (V-VI)		<u>10,14,657</u>	<u>1,63,183</u>
VIII Extraordinary Items		-	-
IX Profit /(Loss) Before Tax (VII - VIII)		<u>10,14,657</u>	<u>1,63,183</u>
X Tax Expense :			
Current Tax		1,95,220	31,095
Less : MAT Credit		(1,95,220)	(31,095)
Deferred Tax		<u>2,36,300</u>	<u>(3,32,400)</u>
		2,36,300	(3,32,400)
XI Profit /(Loss) from the period from continuing operations (IX-X)		12,50,957	(1,69,217)
XII Profit / (Loss) from discontinuing operations			
Gain/(Loss) on disposal of assets attributable to the Discontinuing Operations		-	-
XIII Tax Expense of discontinuing operations		-	-
Current Tax			
a) on ordinary activities attributable to the discontinuing operations		-	-
b) on gain/(loss) on disposal of assets		-	-
XIV Profit / (Loss) from Discontinuing Operations (XII-XIII)		<u>-</u>	<u>-</u>
XV Profit / (Loss) for the period (XI+XIV)		<u>12,50,957</u>	<u>(1,69,217)</u>
XVI Earning per equity share :			
Basic			
Computed on the basis of loss from continuing Operations		2.32	(0.31)
Computed on the basis of total loss for the year		2.32	(0.31)
Diluted			
Computed on the basis of loss from continuing Operations		2.32	(0.31)
Computed on the basis of total loss for the year		2.32	(0.31)

Notes on Financial Statements 1 to 24

For and on behalf of the Board

V.S.Chinnaswamy
Chairman
(DIN: 01745060)

Senthil Chinnasamy
Managing Director
(DIN: 00020229)

K.K. Velumani
Chartered Accountant
Membership No.3960

Place: Coimbatore
Date : 03.09.2019

V.S.Kulandaivel
Director
(DIN: 01086943)

NOTES ANNEXED TO THE BALANCE SHEET

Amount in Rs.	Amount in Rs.
As at	As at
31.03.2019	31.03.2018

Note 1 : SHARE CAPITAL

AUTHORISED CAPITAL

2000 12% (Less Tax) Cumulative Preference Shares of Rs. 100 /- each	2,00,000	2,00,000
970000 Equity Shares of Rs. 10/- each	97,00,000	97,00,000
	<u>99,00,000</u>	<u>99,00,000</u>

ISSUED CAPITAL

565480 Equity Shares of Rs. 10/- each	<u>56,54,800</u>	<u>56,54,800</u>
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SUBSCRIBED AND PAID UP CAPITAL

539800 Equity Shares of Rs. 10 /- each	<u>53,98,000</u>	<u>53,98,000</u>
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Reconciliation in number of shares

Opening	5,39,800	5,39,800
Issued during the year	-	-
	<u>5,39,800</u>	<u>5,39,800</u>
Brought Back during the year	-	-
Closing	<u>5,39,800</u>	<u>5,39,800</u>

Each equity shareholder is entitled to one vote per share. In the event of liquidation of the company the holder of equity share will be entitled to receive remaining assets of the company after settlement of all preferential amounts. The dividend proposed by the Board of Directors if any, is subject to the approval of shareholders in the Annual General Meeting.

There are Nil number of shares (Previous Year Nil) in respect of each class in the company held by its holding company or its ultimate holding company including shares held by subsidiary or associates of the holding company or the ultimate company in aggregate.

Shares in the company held by each shareholder holding more than 5% shares

Name of the Shareholder	No. of Shares Held	Percentage (%)	No. of Shares Held	Percentage (%)
V.S. Chinnaswamy	56370	10.44%	54750	10.00%
Ramkumar Giri	324700	60.00%	324700	60.00%

There are Nil number of shares (Previous Year Nil) reserved for issue under option and contracts / commitment for the sale of shares / disinvestment including the terms and amounts.

For the period of five years immediately preceding the date as at which the balance sheet is prepared

Particulars	No. of Shares	No. of Shares
Aggregate number and class of shares allotted as fully Paidup pursuant to contract(s) without payment being received in cash	Nil	Nil
Aggregate number and class of shares allotted as fully Paidup by way of bonus shares	Nil	Nil
Aggregate number and class of shares bought back	Nil	Nil

There are no securities (Previous Year No) convertible into Equity / Preferential Shares.

There are no calls unpaid (Previous Year No) including calls unpaid by Directors and officers as on balance sheet date.

Note 2 : RESERVES AND SURPLUS

Amount in Rs.	Amount in Rs.
As at	As at
31.03.2019	31.03.2018

Revaluation Reserve

Opening Balance	4,09,48,602	4,09,48,602
Add: Additions during the year	<u>-</u>	<u>-</u>
	4,09,48,602	4,09,48,602
Less: Transfer to Profit & Loss account due to part sale of revalued asset #	<u>-</u>	<u>-</u>
Sub – Total (A)	<u>4,09,48,602</u>	<u>4,09,48,602</u>

Surplus (Profit & Loss Account)

Opening Balance	(4,42,37,917)	(4,40,68,700)
Add : Prior year Income tax provision written back	-	-
Add : Profit / (Loss) for the period	12,50,957	(1,69,217)
Add : Excess Prov. of the previous year written Back	-	-
Add : Transfer from Revaluation Reserve	<u>-</u>	<u>-</u>
	(4,29,86,960)	(4,42,37,917)
Less : Transfer	<u>-</u>	<u>-</u>
Sub – Total (B)	<u>(4,29,86,960)</u>	<u>(4,42,37,917)</u>
	<u>(20,38,358)</u>	<u>(32,89,315)</u>
TOTAL (A) + (B)	<u>(20,38,358)</u>	<u>(32,89,315)</u>

There is no reserve specifically represented by earmarked investments which can be termed as fund.

Note 3 : LONG TERM BORROWINGS

Secured

Term Loan from Bank	1,88,23,272	2,00,86,744
The above Term loan is secured Industrial vacant Land at Thiruvalluvar Street,S.F.No.325/2C of Vellakinar Village,Coimbatore Corpn Tk & Dist to the extent of 1.54 acre.		
The above loan is further guarantee by Managing Director Mr. Senthil Chinnasamy & Director Mr. D. Ashok Kumar		
HP loans from Banks/ Financial Institutions	8,32,977	13,71,701
The above HP loan is secured by way of hypothecation of the car worth Rs.34,86,037/-		
For the year 31.03.2019		

Particulars	No. of Installments Due	Maturity	Installments due	Rate of Interest
Yes Bank Ltd	04 Months	05-08-2019	23,22,231	10.45%
Kotak Mahindra Prime Ltd.	60 Months	01.08.2021	5,24,224	9.49%

For the year 31.03.2018

Particulars	No. of Installments Due	Maturity	Installments due	Rate of Interest
Yes Bank Ltd	97 Months	31.03.2026	19,06,599	9.85%
Kotak Mahindra Prime Ltd	72 Months	01.08.2021	4,76,868	9.49%

	Amount in Rs. As at 31.03.2019	Amount in Rs. As at 31.03.2018
<u>Unsecured</u>		
Deposit (Inter Corporate Borrowings)*	41,00,000	41,00,000
* The above inter-corporate loan is obtained by the management which is not repayable in the near future and the management is yet to take a decision about the period of maturity & no. of installments to be paid. The above loan carries 6% rate of interest.		
Loans from Directors - Interest Free	4,59,93,353	4,59,93,353
\$ The above loan is obtained by the management which is not repayable in the near future and the management is yet to take a decision about the period of maturity & no. of installments to be paid. The above loan was an interest free loan so rate of interest is NIL.		
Loan from Directors	42,50,000	45,50,000
(above unsecured Loan of Rs. 37.50 lakhs Carries 9% Rate of interest w. e.f 07.04.2016 and Rs. 5 lakhs Interest free)	<u>7,39,99,602</u>	<u>7,61,01,798</u>

\$ The above loan is obtained by the management which is not repayable in the near future and the management is yet to take a decision about the period of maturity & no. of installments to be paid. The above loan was an interest free loan so rate of interest is NIL.

Note 4 : OTHER LONG TERM LIABILITIES

- Trade Payables	-	-
- Creditors for Consumables	-	-
- Dues to Micro and Small Enterprises	-	-
- Dues to Others	-	-

Others

Creditors for Expenses	13,43,226	13,43,226
Rent Advance	86,63,000	85,53,000
	<u>1,00,06,226</u>	<u>98,96,226</u>

The Management has initiated the process of identifying enterprises which have provided goods and services to the company and which qualify under the definition of Micro and Small Enterprises, as defined under Micro, Small and Medium Enterprises development act 2006. Accordingly, the disclosure in respect of the amount payable to such enterprises as at 31st March 2019 has been made in the financial statement based on information received and available with the company. Further in view of the management, the impact of Interest if any that may be payable in accordance with the provisions of the Act is not expected to be material. The company has not received any claim for interest from supplier under the said act.

Particulars	31.03.2019	31.03.2018
The Principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	Nil	Nil
The amount of interest paid by the company along with the amount of the payments made to the supplier beyond the appointed day during the period.	Nil	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.	Nil	Nil

Amount in Rs. As at 31.03.2019	Amount in Rs. As at 31.03.2018
--------------------------------------	--------------------------------------

The amount of interest accrued and remaining unpaid at the end of the period.

Nil

Nil

The amount of further interest remaining due and payable even in the succeeding years, untill such date when the interest dues as above are actually paid to the small enterprise.

Nil

Nil

Note 5 : TRADE PAYABLES

Creditors for Raw Materials

- Dues to Micro and Small Enterprises

-

-

- Dues to Others

37,64,679

48,63,181

Creditors for Consumables

- Dues to Micro and Small Enterprises

-

-

- Dues to Others

16,963

16,963

Creditors for Contractors

- Dues to Micro and Small Enterprises

-

-

- Dues to Others

2,18,201

2,18,201

39,99,843
50,98,345

The Management has initiated the process of identifying enterprises which have provided goods and services to the company and which qualify under the definition of Micro and Small Enterprises, as defined under Micro, Small and Medium Enterprises development Act 2006. Accordingly, the disclosure in respect of the amount payable to such enterprises as at 31st March 2019 has been made in the financial statement based on information received and available with the company. Further in view of the management, the impact of interest if any that may be payable in accordance with the provisions of the Act is not expected to be material. The company has not received any claim for interest from supplier under the said act.

Particulars	31.03.2019	31.03.2018
The Principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	Nil	Nil
The amount of interest paid by the company along with the amount of the payments made to the supplier beyond the appointed day during the period.	Nil	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of the period.	Nil	Nil
The amount of further interest remaining due and payable even in the succeeding years, untill such date when the interest dues as above are actually paid to the small enterprise.	Nil	Nil

Note 6 : OTHER CURRENT LIABILITIES

	Amount in Rs. As at	Amount in Rs. As at
Current maturities of Long-Term Debt	31.03.2019	31.03.2019
- Term Loan from Banks		
Secured	23,22,231	19,06,599
- HP Loan from Banks / Financial Institutions		-
Secured	5,24,224	4,76,868
Interest Accrued and due on Borrowings	28,56,059	28,10,659
Interest Accrued and due on unsecured Loan	9,11,250	6,07,500
Liability for Other Finance	21,88,586	20,52,015
Creditors for Expenses	12,97,503	10,36,849
Outstanding Expenses	5,93,052	5,50,187
Advance from Customers	-	-
	<u>1,06,92,905</u>	<u>94,40,677</u>

Note 7 : SHORT-TERM PROVISIONS

Provision for Employees Benefit

Provision for Gratuity	9,87,439	9,11,684
Less:Funded -Plan asset	4,95,121	4,59,296
-Gratuity Payable	<u>4,92,318</u>	<u>4,52,388</u>

Others

Provisions for Income Tax	1,95,220	31,095
	<u>6,87,538</u>	<u>4,83,483</u>

Note 9 : NON-CURRENT INVESTMENTS

Trade Investments		Nil
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Other Investments

a) Investments in Subsidiary, associates, joint venture or controlled special purpose entities

I) Investments in Equity Instruments		Nil
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b) Investments in Others

I) Investments in Equity Instruments

Shanthi Gears Ltd., - 8000 shares @ Rs.1/- each

Cost	1,979 .00	1,979 .00
Less : Provision for Fall in Value of Investments	0.00	1,979.00
		<u>0.00</u>

Essar Steel India Ltd., - 195 shares @ Rs.10/- each

Cost	24,156.00	24,156.00
Less : Provision for Fall in Value of Investments	22,206.00	1,950.00
		<u>22,206.00</u>

Oswal Agro Mills Ltd.,-100 Shares @ Rs.10/- each

Cost	12,225.00	12,225.00
Less : Provision for Fall in Value of Investments	11,415 .00	810 .00
		<u>10,920 .00</u>

Lloyds Finance Ltd.,-150 Share @ Rs.10/- each

Cost	6,500.00	6,500.00
Less : Provision for Fall in Value of Investments	6,388.00	112.00
		<u>6,388 .00</u>

	31.3.2019		31.3.2018	
Patspin India Ltd., -100 Shares @ Rs.10/- each				
Cost	1,000.00		1,000.00	
Less : Provision for Fall in Value of Investments	0.00	1,000.00	0.00	1000.00
Nahar Industrial Enterprises Ltd.,100 Shares @ Rs.10/- each				
Cost	1,2000.00		12,000.00	
Less : Provision for Fall in Value of Investments	7,745.00	4,255 .00	4,780.00	7,220 .00
Asian Consolidated Ltd.,-500 shares @ Rs.10/-each				
Cost	16,000.00		16,000.00	
Less : Provision for Fall in Value of Investments	15,950.00	50 .00	15,950.00	50.00
Uttam Value Steels Ltd.,-200 Shares @ Rs.10/- each				
Cost	1,000.00		1,000.00	
Less : Provision for Fall in Value of Investments	900.00	100 .00	800.00	200.00
Western Paques Ltd.,-400 Shares @ Rs.10/- each				
Cost	26,000.00		26,000.00	
Less : Provision for Fall in Value of Investments	25,960.00	40 .00	25,960.00	40.00
Steller Exports Ltd.,-1000 Shares @ Rs.10/-each				
Cost	10,000.00		10,000.00	
Less : Provision for Fall in Value of Investments	9,900.00	100 .00	9,900.00	100.00
Llods Steels Industries Ltd - 136 Shares @Rs.1/- each				
Cost	136.00		136.00	
Less; Provision for Fall in Value of Investment	14.00	122 .00	0.00	136.00
		10,518.00		14,092.00
Aggregate amount of quoted investment		1,10,996		1,10,996
Market Value of quoted investment		10,31,064		10,35,748
Aggregate amount of unquoted investment			-	-
Aggregate Provision for diminution in value of investments				-
Note 10 : DEFERRED TAX ASSET				
Opening Balance		41,25,500		44,57,900
Adjustment during the year		2,36,300		(3,32,400)
		43,61,800		41,25,500
Note 11 : LONG TERM LOANS AND ADVANCES				
i) Capital Advances				
Unsecured, considered good :				
Advances Towards Capital Expenditure #		12,10,000		7,87,300
ii) Security Deposit				
Secured, considered good :				
Electricity Deposit		68,332		67,932
Deposit - Telex		10,000		10,000
Demat-Account - Deposit		9,491		0
Deposit-Water Connection		64,660		64,660
Director Gen Of Foreign Trade		-		-
Telephone Deposits		23,175		23,175
Indane Gas Deposits		1,550		1,550
Unsecured, considered good :				
Security Deposits		4,44,580		4,44,580

	Amount in Rs. As at 31.03.2019	Amount in Rs. As at 31.03.2018
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Deposits - Fuel - Ravichandra Oil Dealers	10,000	10,000
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Unsecured, considered good :

iii) Loans & Advances to Related Parties*

Unsecured, considered good :

iv) Other Loans & Advances

Advances to Suppliers #

Advances to Staff & Workers

Prior Year MAT Credit

Prepaid Expenses

Doubtful

v) Other Loans & Advances

Advances to Suppliers

	22,06,937	15,79,126
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There are no dues by directors or other officers of the company or any of them either severally or jointly with any other persons or amounts due by a firms or private companies respectively in which any director is a partner or a director or a member.

Note 12 : OTHER NON-CURRENT ASSETS

Long Term Trade Receivables

a) Secured, Considered Good :

b) Unsecured, Considered Good :

Trade Receivables #

c) Doubtful

Other Loans & Advances

Additional Sales Tax

	2,40,830	2,40,830
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There are no dues by directors or other officers of the company or any of them either severally or jointly with any other persons or amounts due by a firms or private companies respectively in which any director is a partner or a director or a member .

Note 13 : TRADE RECEIVABLES

Outstanding for more than six months

a) Secured, Considered Good :

b) Unsecured, Considered Good :

c) Doubtful

Others *

a) Secured, Considered Good :

b) Unsecured, Considered Good :

c) Doubtful

	1,12,69,047	1,04,79,537
--	-------------	-------------

* There are no dues by directors or other officers of the company or any of them either severally or jointly with any other persons or amounts due by a firms or private companies respectively in which any director is a partner or a director or a member.

Amount in Rs.	Amount in Rs.
As at	As at
31.03.2019	31.03.2018

Note 14 : CASH AND BANK BALANCES**Cash & Cash Equivalents**

Cash on Hand	1,52,691	1,33,116
Other Bank Balances		
Balance with Banks	12,22,490	5,52,034
Banks Deposits < 12 Months	-	-
Banks Deposits > 12 Months	31,500	31,500
	<u>14,06,681</u>	<u>7,16,650</u>

Note 15 : SHORT TERM LOANS & ADVANCES

(Unsecured, Considered good, Recoverable in Cash or Kind)

Others

(Advance Recoverable in cash or in kind or for value to be considered good)

Advances to Suppliers	6,489	1,11,918
Advances to Staff & Workers	1,46,795	1,53,695
Deposits with Govt. / Other Authorities	500	500
Other Advances	1,000	1,000
Advance Income Tax / TDS	46,38,100	31,85,415
Prepaid Expenses	49,076	56,242
	<u>48,41,960</u>	<u>35,08,770</u>

Note 16 : OTHER CURRENT ASSETS

Unsecured, considered good;

Interest Accrued on Investments	18,406	14,269
Receivables	15,19,812	14,78,219
	<u>15,38,218</u>	<u>14,92,488</u>

NOTE ANNEXED TO THE BALANCE SHEET

NOTE 8 : FIXED ASSETS

(Amount in Rupees)

Particulars	GROSS BLOCK					DEPRECIATION					NET BLOCK	
	Cost As on 01.04.2018	Additions	Transfer to Asset held for sale	Transfer / Sales	As on 31.03.2019	Up to 01.04.2018	Withdrawn	Transfer to Asset held for sale	Depn. For the Year	Up to 31.03.2019	As on 31.03.2019	As on 31.03.2018
TANGIBLE												
Land	4,11,58,122	-	-	-	4,11,58,122	-	-	-	-	-	4,11,58,122	4,11,58,122
Building	4,67,66,148	-	-	-	4,67,66,148	1,26,08,364	-	-	12,07,863	1,38,16,227	3,29,49,921	3,41,57,784
Furniture & Fittings	1,83,019	-	-	-	1,83,019	1,71,848	-	-	4,482	1,76,330	6,689	11,171
Vehicles	47,69,045	-	-	-	47,69,045	19,25,146	-	-	4,72,450	23,97,596	23,71,449	28,43,899
Office Equipments	5,67,897	-	-	-	5,67,897	4,01,816	-	-	35,027	4,36,843	1,31,054	1,66,081
Electrical Fittings	8,69,298	99,563	-	-	9,68,861	8,16,714	-	-	19,240	8,35,954	1,32,907	52,584
Computer	13,28,964	-	-	-	13,28,964	11,86,624	-	-	22,717	12,09,341	1,19,623	1,42,340
Sub Total (A)	9,56,42,493	99,563	-	-	9,57,42,056	1,71,10,512	-	-	17,61,779	1,88,72,291	7,68,69,765	7,85,31,981
INTANGIBLE	-	-	-	-	-	-	-	-	-	-	-	-
Sub Total (B)	-	-	-	-	-	-	-	-	-	-	-	-
Capital Work in Progress												
Building- WIP	-	-	-	-	-	-	-	-	-	-	-	-
Sub Total (C)	-	-	-	-	-	-	-	-	-	-	-	-
Total (A) + (B)+(C)	9,56,42,493	99,563	-	-	9,57,42,056	1,71,10,512	-	-	17,61,779	1,88,72,291	7,68,69,765	7,85,31,981
PREVIOUS YEAR	9,56,51,658	35,989	-	45,154	9,56,42,493	1,53,77,114	45,154	-	17,78,552	1,71,10,512	7,85,31,981	8,02,74,544

9.1) Gross block of land includes Rs. 5,97,35,744/- crores added on revaluation as at 10.09.2004 based on reports issued by valuers.

9.1) Out of the above revalued land Rs. 1,87,87,142/- crores was reduced from the revaluation account due to sale of a part of land during the year 2011 - 12. Hence, the gross block of land includes Rs. 4,09,48,602/- crores in revaluation of land based on reports issued by valuers.

NOTES ANNEXED TO THE STATEMENT OF PROFIT AND LOSS

Amount in Rs.

As at	As at
31.03.2019	31.03.2018

Note 17 : REVENUE FROM OPERATIONS

Sale of Products	1,27,26,255	20,25,875
Other Operating Income	-	-
	<u>1,27,26,255</u>	<u>20,25,875</u>

Note 18 : OTHER INCOME

Interest Receipts	4,137	3,795
Dividend	39,570	14,100
Other Non-operating Income	450	11,802
Rental Income	1,52,97,170	1,43,18,338
	<u>1,53,41,327</u>	<u>1,43,48,035</u>

Note 19 : PURCHASE OF STOCK IN TRADE

Cotton Yarn Purchase		
Opening Stock	24,40,240	-
Add : Purchases	98,05,523	44,44,790
	<u>1,22,45,763</u>	<u>44,44,790</u>
Closing Stock	-	24,40,240
	<u>1,22,45,763</u>	<u>20,04,550</u>

	Amount in Rs.	
	As at 31.03.2019	As at 31.03.2018
Note 20 : EMPLOYEE BENEFIT EXPENSES		
Salaries, Wages and Bonus	23,80,132	23,61,748
Contribution to Provident & Other Funds	2,30,526	5,90,938
Labour Welfare Expenses	52,045	92,530
Managing Director's Remuneration	18,88,560	18,88,560
	<u>45,51,263</u>	<u>49,33,776</u>
Note 21 : FINANCIAL COST		
Interest on Bank Loans / Overdraft from Banks	25,14,573	25,84,002
Interest Others	6,05,564	5,90,340
Bank Charges	56,416	3,47,996
	<u>31,76,553</u>	<u>35,22,338</u>
Note 22 : DEPRECIATION AND AMORTIZATION EXPENSES		
Depreciation	17,61,779	17,78,552
Preliminary Expenses W/O	<u>17,61,779</u>	<u>17,78,552</u>
Note 23 : OTHER EXPENSES		
EB Charges	2,26,405	2,31,197
Rent	10,92,600	11,21,243
Repairs to Building	11,980	42,392
Insurance	1,21,576	1,71,049
Rates and Taxes	2,15,290	2,28,404
Auditors Remuneration	1,05,000	80,000
Brokerage and Commission	1,63,512	-
Miscellaneous Expenditure	33,81,204	21,00,742
	<u>53,17,567</u>	<u>39,75,027</u>

Note 24

Significant Accounting Policies and notes to accounts :

1. **a. Basis of preparation of Financial Statements :** The accompanying financial statements are prepared on the historical cost convention on a going concern basis, with revenue recognized and expenses accounted on accrual concept , and in accordance with the companies accounting standard rules 2006 as referred to in section 133 of the Companies Act, 2013 and in accordance with Indian Generally Accepted Accounting Principles and Accounting Standard issued by the Institute of Chartered Accountants of India, except the land which was revalued in the year 2003-2004.

b. Fixed Assets :

As approved by the Board of Directors, the Company decided to revalue its Land during the course of period so that the Shareholders would have a clear indication of the current value of their Company. The Land situated at Vellakinar Panchayat was revalued on 31.03.2004 on the basis of valuation report submitted by the Valuer including land donated by Late V.C. Subbiah Gounder promoter of the company for the use of company on 11.03.1952. This revaluation has resulted in a surplus of Rs. 597.36/- Lakhs. Out of which Rs. 187.87/- Lakhs is withdrawn towards sale of portion of land and transferred to Profit & Loss account. The Balance Rs.409.49/- Lakhs is retained in the Revaluation Reserve, which it should be noted, is not available for distribution through the Profit and Loss Account.

Additions to the fixed assets acquired or constructed during the year, along with the borrowing cost and other related expenses up to date of completion of project incurred towards acquiring fixed assets are capitalized. The company has an internal system to assess the impairment of assets. Appropriate disclosure on material impairment of losses and their treatment in profit and loss account, classes of assets and nature of impairment will be made in the year in which the impairment is recognized.

All other assets are stated at historical cost less accumulated depreciation.

The company has carried out an exercise to ascertain the impairment, if any, in the carrying values of its fixed assets. The exercise has not revealed any impairment of assets during the year 2018-19

c. Depreciation :

Depreciation on fixed assets has been provided as per the schedule II of the companies Act,2013,depreciation on asset addition is provided on pro-rata basis.

d. Inventories :

Items of Inventory are valued on the basis given below.

- a. Cotton – Lower of the cost or Net Realisable Value.
- b. Yarn – Lower of the cost or Net Realisable Value.

e. Borrowing Cost :

Borrowing Costs attributable to acquisition and construction of qualifying assets are capitalised as a part of the cost of such asset upto the date when such asset is ready for its intended use. Other borrowing costs are charged to Profit & Loss Account.

f. Investments :

All Investments are long-term investments and are shown at cost inclusive of expenses incidental to acquisition. Permanent diminution in value, if any, will be written off as and when there is permanent reduction in value.

g. Revenue Recognition :

Sales are recognised when the significant risks and rewards of ownership are transferred to the buyer which generally coincides with the despatch from the company's premises. Net sales includes sale of products.

h. Employees Benefits :**a) Short Term :**

Short term employee benefits comprising of salary, bonus and other allowances are recognized as expenses as per the Company's scheme and charged to the profit and loss account.

b) Post Retirement:**(i) Defined Contribution Plan :**

Post Retirement benefits comprise of Provident Fund, Employee State Insurance and Gratuity which are accounted as follows:

Provident Fund

This is defined plan and contributions made to the fund in accordance with applicable rules / statutes are charged to revenue. The company has no further obligations for future provident fund benefits other than contributions made to the fund.

Employee's State Insurance

Company's Contribution to Employees State Insurance Corporation of India is a defined contribution plan and such contributions paid or payable during the year are charged to the profit and loss account.

(ii) Defined Benefit Plan :

Company's Liability towards Gratuity are determined using the projected unit credit method which considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to built up the final obligation. The past services are recognized on a straight line basis over the average period until the amended benefit becomes vested. Actuarial gain or losses are recognized immediately in the statement of profit and loss account as income and expenses. Obligation is measured at the year end as present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the balance sheet date on Government bonds where the currency and terms of the government bonds are consistent with the currency and estimated terms of the defined benefit obligations.

The Company has taken a group gratuity Policy for future payment of gratuity with the Life Insurance Corporation of India (LIC). Payment of contribution as per the Demand made by LIC is charged to revenue.

Disclosure in respect of Accounting standard 15 "Employee Benefits" notified in the Companies (Accounting Standards) Rule 2006.

	Particulars	Gratuity 2018-2019	Gratuity 2017-2018
A	Expense recognized during the year		
	1 Current Service Cost	9,052	4,670
	2 Interest Cost	69,744	34,808
	3 Expected return on plan assets	(35,136)	(35,199)
	4 Actuarial (Gain)/Loss during the year	(3,730)	(25,302)
	5 Past Service cost - vested benefits	-	4,29,693
	6 Expenses recognized in profit & loss Account	39,930	4,08,670
B	Actual return on plan assets		
	1 Expected return on plan assets	35,136	35,119
	2 Actuarial Gain/(loss) on Plan assets	689	(2,560)
	3 Actual return on plan assets	35,825	32,639
C	Net Asset/(Liability) recognized in the Balance Sheet		
	1 Present Value of the obligation at the year end	9,87,439	9,11,684
	2 Fair Value of plan assets at the year end	4,95,121	4,59,296
	3 Funded status - Surplus/(Deficit)	4,92,318	4,52,388
	4 Unrecognized past service cost	-	-
	5 Net Asset/(Liability) recognized in the Balance Sheet	4,92,318	4,52,388

D	Change in Present Value of the Obligation during the year		
	1 Present Value of the obligation as at the beginning of the year	9,11,684	4,70,375
	2 Current Service Cost	9,052	4,670
	3 Interest Cost	69,744	34,808
	4 Past Service Cost (Vested Benefits)	-	4,29,693
	5 Benefits Paid	-	-
	6 Actuarial (Gain)/loss on obligation	(3,041)	(27,862)
	7 Present Value of obligation at the year end	9,87,439	9,11,684
E	Charge in Assets during the year		
	1 Fair Value of plan assets at the beginning of the year	4,59,296	4,26,657
	2 Expected return on plan assets	35,136	35,199
	3 Contributions made	-	-
	4 Benefits Paid	-	-
	5 Actuarial Gain/(loss) on plan assets	689	(2,560)
	6 Fair value of plan assets at the year end	4,95,121	4,59,296
F	Actuarial Assumptions		
	1 Discount rate	7.40%	7.65%
	2 Salary escalation	6.00%	6.00%
	3 Expected rate of return on plan assets	7.80%	7.65%

i. Foreign Currency Transactions :

Foreign Currency Transactions are recorded at exchange rates prevailing on the date of such transaction. Any difference arising between amounts recorded and amount paid have been charged/credited to Profit & Loss Account.

j. Contingent Liabilities :

Contingent liabilities are generally not provided for and are disclosed by way of notes to the accounts. Contingent Liabilities not provided for in respect of :

		Rs. in Lakhs
a)	Claims against the company not acknowledged as debt	31.03.19 31.03.18
	- Penalty towards SEBI	1.75 1.75

k. Cash flow statements :

Cash flows are reported using indirect method, whereby net profits before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the Company are segregated.

l. Income Tax Expense :

Current Tax

Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961 and based on the expected outcome of assessments/appeals.

Tax credit is recognized in respect of Minimum Alternative Tax (MAT) as per the provisions of section 115JB of the Income tax Act, 1961 based on convincing evidence that the company will pay normal income tax within the statutory time frame and is reviewed at each balance sheet date.

Deferred Tax

Deferred tax charges on credit reflect the effects of timing differences between accounting income and taxable income for the period. The deferred tax charged or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future.

m. Earning per Shares :

The basic earning per Share ("EPS") is computed by dividing the net profit after tax for the period by the weighted average number of equity shares outstanding during the year. Details basic and diluted earning per share of face value of Rs.10/- each calculated as under

	Amount (Rs)	
	31.03.2019	31.03.2018
Net Profit /(Loss) after tax as disclosed in the P& L account	12,50,957	(1,69,217)
Less: Preference Dividend paid	NIL	NIL
Net Profit /(Loss) after Preference Dividend	<u>12,50,957</u>	<u>(1,69,217)</u>
Weighted Average number of Equity Shares	5,39,800	5,39,800
Basic and Diluted Earnings Per Share	2.32	(0.31)

n. GST Inputs

GST Input credit against Capital Goods are adjusted against relevant asset and net amount capitalised. Input credit against remaining goods are accounted for by adjustments against cost of the relevant goods unadjusted GST Credit is carried over as advance.

o. Accounting Standards

- 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.
- Estimated amount of contracts to be executed on capital account and not provided for is Rs.NIL (Previous Year Rs.NIL)
- The suit filed for recovery of debt amounting to Rs.2,40,830/- due from M/s. SSM Mills Limited are decreed in favour of the company in Honourable Court of Additional District Sessions Judge of Coimbatore. The Court directing the defendant (SSM Mills Limited) to pay a sum of Rs.4,08,929/- including interest, as per court order. The Company has filed a petition to execute the degree before Honourable Sub-Ordinate Judge court in Thiruchangodu.
- The company has accepted Inter-corporate deposit from the following companies in which the directors are interested.

	31.03.2019	31.03.2018
M/s. GNM Textiles Private Ltd.	Rs. 41,00,000	Rs. 41,00,000

- Unsecured loans includes a sum of Rs.4,57,14,000/- towards deposits from the following shareholder namely.

	31.03.2019	31.03.2018
A. Fixed Deposits :		
a. Shri. RamKumar Giri	Rs. 53,00,000	Rs. 53,00,000
Total	<u>Rs. 53,00,000</u>	<u>Rs. 53,00,000</u>
B. Cumulative Deposits :		
a. Shri.V.S.Chinnaswamy	Rs. 8,14,000	Rs. 8,14,000
Total	<u>Rs. 8,14,000</u>	<u>Rs. 8,14,000</u>

C.	Fixed Deposits (Interest Free)	31.03.2019	31.03.2018
a.	Shri.V.S.Chinnaswamy	Rs. 2,60,00,000	Rs. 2,60,00,000
b.	Shri. Senthil Chinnasamy	Rs. 1,36,00,000	Rs. 1,36,00,000
	Total	<u>Rs. 3,96,00,000</u>	<u>Rs. 3,96,00,000</u>
6	a. Unsecured loans includes a sum of Rs. 2,79,353/- towards interest free deposits from the following directors namely		
	Cumulative Deposits (Interest Free)		
	Shri.V.S.Chinnaswamy	Rs. 2,79,353	Rs. 2,79,353
	Total	<u>Rs. 2,79,353</u>	<u>Rs. 2,79,353</u>
	b. Unsecured loan includes a sum of Rs. 37,50,000/- towards loan from the following director with interest at the rate of 9% w.e.f. 01.04.2016.		
	Shri. Senthil Chinnasamy	Rs. 37,50,000	Rs. 37,50,000
	Shri. Senthil Chinnasamy - accrued interest	Rs. 9,11,250	Rs. 6,75,000
7.	Liabilities for expenses includes a sum of Rs.9,11,448/- payable to the following directors of the company towards salaries :		
		31.03.2019	31.03.2018
a.	Shri. V.S.Chinnaswamy – Chairman	Rs. 2,22,948	Rs. 2,22,948
b.	Shri. V.S.Kulandaivel – Director	Rs. 6,88,500	Rs. 6,88,500
8.	Unsecured loan includes interest accrued and due on inter corporate deposit, an amount of Rs.28,56,059/- (PY Rs. 28,10,659/-) due to the following concerns in which Shri. V.S.Chinnaswamy and Shri. Senthil Chinnasamy are interested.		
	1.M/s. GNM Textiles Private Limited Rs. 28,56,059/- (PY Rs. 28,10,659/-)		
9.	The TNVAT Assessment of the company has been completed upto 31 st March 2010 and CST Assessment of the company has been completed upto 31.03.2014. The company does not expect any liability in respect of pending Assessments.		
10.	Interest and Finance charges include a sum of Rs. 2,46,000/- (PY Rs.2,46,000/-) paid/credited for fixed deposits / inter corporate deposits accepted from directors and the company in which the directors were interested.		
11.	As per information available with the company, there are no dues outstanding including interest as on 31 st March 19 to Small and Micro Enterprises as defined under Micro, Small & Medium Enterprises Development (MS MED) Act 2006.		
12.	Debtors/Creditors balances are subject to confirmation and reconciliation if any.		
13.	Prior period adjustment, extra ordinary and exceptional items have been disclosed separately.		
14.	Depreciation on fixed assets has been charged as prescribed under Part-C Schedule II of the Companies Act, 2013 as detailed below :		
a.	Assets acquired up to 31.12.1978	-	Written down Value Method
b.	Assets acquired from 01.01.1982 to 31.03.1991	-	Written Down Value Method
c.	Other Assets	-	Written Down Value Method
15.	The Income Tax assessment of the company have been completed up to assessment year 2013-2014.		
16.	Figures for the previous year have been regrouped /rearranged wherever necessary.		

		31.03.2019	31.03.2018
17.	Auditors Remuneration:		
	Audit Fees	50,000	80,000
	Tax Audit Fees	-	-
	Representation Fees	-	-
	Prior year fees-Taxation	-	-
	Other Services	55,000	-
		<u>1,05,000</u>	<u>80,000</u>
18.	Bills and Cheque Discounted	Nil	Nil
19.	Raw-Material Consumeds		
	Cotton/Waste Kgs.	Nil	Nil
	Indigenous Kgs.	Nil	Nil
	Rs.	Nil	Nil
	%	Nil	Nil
	Imported Kgs.	Nil	Nil
20.	Stores and Spares Consumed		
	Indigenous Rs.	Nil	Nil
	%	Nil	Nil
	Imported Rs.	Nil	Nil
	%	Nil	Nil
21.	Value of Import on CIF basis	Rs.	Rs.
	a) Raw-Materials	Nil	Nil
	b) Capital goods	Nil	Nil
	c) Components and Spare parts (Machinery)	Nil	Nil
22.	Expenditure in Foreign Currency - Others	Nil	Nil
23.	Amounts remitted during the year in Foreign Currency on Account of dividend	Nil	Nil
24.	Earnings in foreign currency on all accounts	Nil	Nil
25.	Consequent to Accounting Standard – 18 issued by ICAI on “Related Party Disclosure” following persons will be considered as related persons for the year ended as on 31 st March 2019.		
	01. Alankar Business Corporation (P) Limited	Same Management	
	02. Madurai Soft (P) Limited	Same Management	
	03. Alankar Business Services (P) Limited	Same Management	
	04. Alankar Super Market (P) Limited	Same Management	
	05. Sakthi Soft Drinks (P) Limited	Same Management	
	06. Vee.Cee.Yes Industries (P) Limited	Same Management	
	07. V.C.S.Spinner Private Limited	Same Management	
	08. Anoor Chandikadevi Textiles Private Limited	Same Management	
	09. G.N.M.Textiles Private Limited	Same Management	
	10. Willow Hill Private Limited	Same Management	
	11. GNM Mechotek Private Limited	Same Management	
	12. Mr. V.S.Chinnaswamy	Chairman	
	13. Mr. V.S. Kulandaivel	Director	
	14. Mr. Senthil Chinnasamy	Managing Director	
	15. Mr. Ramkumar Giri	Relative to the Director	

Related party relationships are as identified by the company

a) List of related parties & relationship

(Rs. in thousands)

SI.No	Related Party Transaction	Companies under the Same management		Key Managerial Personnel		Total	
		31.03.2019	31.03.2018	31.03.2019	31.03.2018	31.03.2019	31.03.2019
1	Unsecured Loan Recd.	-	-	-	-	-	-
2	ICD, Accrued Interest Paid	6956	6911	-	-	6956	6911
3	Rent	-	-	1093	1121	1093	1121
4	Remuneration & Perquisites	-	-	1889	1889	1889	1889
5	Interest	246	246	246	246	492	492

26. Deferred Tax Liabilities/ Assets

	31.03.2019	31.03.2018
	Deferred Tax Assets	Deferred Tax Liabilities
	Deferred Tax Assets	Deferred Tax Liabilities
Depreciation difference between book of account and Income tax Act, :	89,121	-
43B Liabilities/Other Expenses :	6,50,945	-
40(a)(ia) Liabilities :	-	-
Unabsorbed losses :	36,21,703	-
MAT Credit CF for set off	-	-
	43,61,769	-
Net Deferred Tax Assets/(Liabilities) :	43,61,800	41,25,500
Less: Opening Deferred Tax Asset	41,25,500	44,57,900
Net Deferred Tax charged to Statement of Profit & Loss	2,36,300	3,32,400

27. Guest House Expenses of Rs. 67,594/- (P.Y. Rs.83,331/-) included in Repairs & Maintenance have been paid in accordance with the resolution passed in that connection and the same has been approved and confirmed by the Board of Directors of the Company.
28. The company's title of land bearing SF.No. 305 & 324 in which to the extent of 62 cents is under dispute for which the suit are pending before of the Honourable High Court of Chennai.
29. The Company has received Inter Corporate Deposit of Rs.41.00 Lakhs from M/s. GNM Textiles Private Limited for expansion purpose on 09.09.2005, in which Shri. V.S. Chinnaswamy and Shri. Senthil Chinnasamy are interested.
30. The company's main business segment is trading of cotton yarn and rental income. Hence, there is no separate reportable segment as per the accounting standard 17(AS-17).
31. The Company has provided minimum bonus to employees in the books. The bonus will be determined at the time of payment.

32. The Company has paid as Advance payment of Rs.7,87,000/- in the year 2007 to M/s.Lakshmi Machine Works Limited, Coimbatore for purchase of 2Nos LRSB851 Draw Frame and 2 Nos of LFF1400 Simplex Machines. Since, the Company has stopped the manufacturing activities in 2013, the said Machines were not purchased . As per the terms of purchase order there is no provisions for refund.(i.e) Either the purchaser has to purchase the Machines or the advance will be forfeited. Therefore the advance payment of Rs.7,87,300/- written off during the year as per the decision of the board meeting held on 11.02.2019
33. The Company has been fulfilled entire obligation through merchant exporter and received Export Obligation Discharge Certificate (EODC) from JDGFT Office, Coimbatore. Bank Guarantee Rs.2.10/- lakhs, forwarded to The Assistant Commissioner, Customs Tuticorin for cancellation of Bank Guarantee, which is in process.
34. The Company has received a letter dated 03.12.2014 from Madras Stock Exchange Limited informing that, the company has ceased to be a listed company and moved on to Dissemination Board of NSE with effect from 01.12.2014. Further, in lieu of the company ceased to be a listed company with MSE, the CIN L17111TZ1935PLC000056 has been changed to U17111TZ1935PLC000056. Hence, compliances of Listing Agreement and Secretarial Audit under Section 204 of the Companies Act, 2013, read with Rule 9 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 and other related Compliances does not arise for the Company. During the year, the company has applied to National Stock Exchange of India Limited to provide exit opportunity to shareholders and also submitted necessary papers and documents Subsequently the company has been removed from Dissemination Board of NSE as per the Communication Circular dated 16.04.2019. Mr.V.S.Chinnaswamy Chairman of the company, has deposited the money Rs.22 lakhs in an Escrow Account and executed a Bank Guarantee for Rs.40 lakhs in favour of NSE by pledging his fixed deposit on behalf of the company. Further, the payment was made from Escrow Account to those who have submitted shares and the said shares were transferred to Mr.V.S.Chinnaswamy. The shareholders have submitted 1620 shares upto 31.03.2019. Further, 270 shares were submitted upto 03.09.2019 and the process of submitting and payment of consideration is in progress for 1515 shares.
35. The company has filed a case against M/s. Padmanabha Auto Weavers, M/s. Sri Vaari Spinning Mills and M/s. V.R. Textiles (P) Ltd and S.S.M. Mills Ltd, amounting Rs. 2,26,600/-, Rs. 19,19,337/- , Rs. 60,06,431/- and Rs.2,40,830/- respectively towards sale of cotton yarn and cotton, which is pending in the court.
36. The Company explore the possibility of extending the trading of cotton yarn and cotton. In addition to the efforts are being made to improve the business activities, to enter new areas & products and to increase the revenue of the company. The company has let out portion of mill building to M/s. Texmo Industries as per the memorandum amended as per the approval of shareholders on 18th February 2013.
37. The company has received from Mr. Senthil Chinnasamy, Managing Director Rs. 37,50,000/- towards unsecured loan for building renovation purpose. The rate of interest @ 9% per annum with effect from 01.04.2016.
38. The company has received revised assessment order from Urban Land Tax authorities for land owned by the company. Further, the order fixed Rs. 68,708/- per year from 1981 onwards (Fasali 1391) which comes Rs.13,90,728/- as a additional liability to the company. During the year 2018-19 adequate provision has been made in the books of the company.

V.S.Chinnaswamy
Chairman
(DIN: 01745060)

Senthil Chinnasamy
Managing Director
(DIN: 00020229)

K.K. Velumani
Chartered Accountant
Membership No.3960

Place: Coimbatore
Date : 03.09.2019

V.S.Kulandaivel
Director
(DIN: 01086943)

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31.03.2019

(Amount in Rupees)

	As at 31.03.2019	As at 31.03.2018
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A. CASH FLOW FROM OPERATING ACTIVITIES

Net Profit/ Loss before Tax from Continuing Operations	10,14,657	1,63,183
Net Profit/loss before Tax from Discontinuing Operations	-	-
Net Profit/Loss before Tax and extraordinary items	10,14,657	1,63,183

Adjustment for:

Depreciation on Continuing Operations	17,61,779	17,78,552
Depreciation on Discontinuing Operations	-	-
Interest & Finance charges on Borrowings	31,76,553	35,22,338
Interest & Dividend Income	(43,707)	(17,895)
Profit on Sale of Machinery	-	(3,516)
Fall in value of Investments	3,574	(1,230)
Loss on sale of Assets	-	-
Income Tax	-	-
Loss on Sale of Assets	-	-

Operating Profit before working capital changes	59,12,856	54,41,433
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Adjustments :

Trade & Other receivables	(7,89,510)	(18,27,169)
Inventories	(24,40,240)	(24,40,240)
Loans & Advances	(20,06,731)	(15,28,143)
Current Liabilities	4,67,780	65,46,978

Cash generated from Operations	60,24,635	61,92,858
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Income Tax - Earlier Year	-	-
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Cash generated from Operations before extraordinary items	60,24,635	61,92,858
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Extraordinary Items :

Net Cash from Operating Activities	60,24,635	61,92,858
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B. CASH FLOW FROM INVESTING ACTIVITIES

Increase or Decrease in Investments	-	5,022
Sale of Fixed Assets	-	3,516
Acquisition of Fixed Assets	(99,563)	(35,989)
Interest Received	4,137	3,795
Dividend Received	39,570	14,100
Net Cash from Investing Activities	(55,856)	(9,556)

C. CASH FLOW FROM FINANCING ACTIVITIES

Increase in Share Capital	-	-
Proceeds from Long Term Borrowings	(21,02,196)	(22,77,665)
Increase / Decrease in Short term loans	-	-
Interest Paid	(31,76,553)	(35,22,338)
Net Cash used in financing activities	(52,78,748)	(58,00,003)
Net increase in cash & cash equivalents	6,90,031	3,83,299
Net increase in cash & cash equivalents (Opening)	7,16,650	3,33,352
Net increase in cash & cash equivalents (Closing)	14,06,681	7,16,651

As per over report of date
annexed

V.S.Chinnaswamy
Chairman
(DIN: 01745060)

Senthil Chinnasamy
Managing Director
(DIN: 00020229)

Place: Coimbatore
Date : 03.09.2019

V.S.Kulandaivel
Director
(DIN: 01086943)

K.K. Velumani
Chartered Accountant
Membership No.3960

Form No. MGT-11
Proxy Form
(Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3)
of the Companies (Management and Administration) Rules, 2014)

CIN : U17111TZ1935PLC000056
Name of the Company : GNANAMBIKAI MILLS LIMITED
Registered Office : No. 551, Alankar Building, III Floor, D.B. Road,
R.S. Puram, Coimbatore - 641 002.

Name of the Member(s) :
Registered Address :

E-mail Id :
Folio No. / Client Id :
DP 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 : or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf of the 82nd Annual General Meeting to be held on Monday, the 30th September 2019 at 4.45 PM at registered office of the company and at any adjournment thereof in respect of such resolutions as are indicated below :

Resolution No.

1.
2.
3.

Signed this day of 20.....

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.

GNANAMBIKAI MILLS LIMITED

**82nd Annual Report
for the year ended 31st March, 2019**

BOOK POST
Printed Matter

To

If Undelivered please return to :
GNANAMBIKAI MILLS LIMITED
Registered Office :
Alankar Building, III Floor, 551, D.B. Road, R.S. Puram,
Coimbatore - 641 002.