

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

Auditors

Diwakar & Associates

Firm Reg No. 015661S

Chartered Accountant

Coimbatore

BANKERS

Equitas Small Finance Bank Ltd.

Trichy Road, (01029)

J.S. Empire, 1217,

Coimbatore-641 018.

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 84th Annual General meeting of the members of the Company will be held at the registered Office of the Company at Alankar Buildings, IIIrd Floor, 551, D.B. Road, R.S. Puram, Coimbatore – 641 002, on Wednesday 08th December 2021 at 10.45 AM 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 2021, the Balance Sheet as on 31st March, 2021 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 himself 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 herself for re-appointment.
4. To approve the appointment of Statutory Auditor of the company in the place of existing auditor.

To consider and if deemed fit, to pass Resolution, with or without modification, the following resolution as an Ordinary Resolution.

"RESOLVED THAT pursuant to Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under (including any amendment, modification, variation or re-enactment thereof for the time being), the consent of members of the Company be and is hereby accorded to appoint M/s. DIWAKAR & ASSOCIATES, (Firm Registration Number: 015661S), Chartered Accountant, Coimbatore, as Statutory Auditors of the Company for the five years from the conclusion of this Annual General Meeting until the conclusion of the 89th Annual General Meeting of the Company at such remuneration as may be decided by the board of directors after consulting with them.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized for and on behalf of the Company to take all necessary steps and to do all such acts, deeds, matters and things which may deem necessary in this behalf."

Place : Coimbatore
Date : 13.11.2021

For GNANAMBIKAI MILLS LIMITED
Senthil Chinnasamy
Managing Director
(DIN : 00020229)

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 un claimed dividend shall be transferred to the "Investor Education and Protection Funds" of the Central Government after a period of 7 years from the date of declaration.
6. Due to covid-19 pandemic the company has taken necessary steps to maintain social distancing and other safety measures prescribed by the Government of India from time to time. Members are requested to attend the meeting by wearing face masks and maintain the social distancing norms during the meeting compulsorily.

For GNANAMBIKAI MILLS LIMITED

Senthil Chinnasamy

Managing Director

(DIN : 00020229)

Place : Coimbatore

Date : 13.11.2021

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	Intermediate
Expertise in area	Industrialist
No. of Shares held	500
Board Position held	Director
Terms and conditions of appointment/re-appointment	Retirement by rotation
Remuneration	NIL
Number of Board Meetings attended during the year	6
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	Intermediate
Expertise in area	Industrialist
No. of Shares held	1950
Board Position held	Director
Terms and conditions of appointment/re-appointment	Retirement by rotation
Remuneration	NIL
Number of Board Meetings attended during the year	6
Directorships held in other Companies	-
Chairmanship / Membership in other Committees	-

DIRECTORS REPORT

Ladies and Gentleman,

Your Directors are pleased to present the 84th Annual Report of your Company together with the Audited Statements of Accounts and the Auditors Report of your Company for the financial year ended, 31st March, 2021. The summarized financial results for the year ended 31st March, 2021 are as under:

FINANCIAL PERFORMANCE

The Performance of the Company for the Financial Year ended 31st March, 2021 is summarized below :

Particulars for the financial year	31.03.2021	31.03.2020
Total Revenue	3,60,28,549	6,69,95,339
Less: Total Expenses (excluding Finance Cost, Depreciation and Amortisation Expense & Exceptional Items and Tax)	2,85,54,313	5,98,46,548
Profit/(Loss) Before Interest and Depreciation	74,74,236	71,48,791
Less : Finance Cost / Interest	31,84,853	36,84,585
Less : Depreciation & Amortisation Expense	18,57,466	18,08,991
Less : Exceptional items	-	-
Profit /(Loss) Before Tax	24,31,917	16,55,215
Less : Tax	(2,06,638)	1,20,462
Profit /(Loss) After Tax (from continuing operations)	26,38,555	17,75,677
Add: Loss After Tax (from discontinuing operations)	-	-
Profit / (Loss) for the year	26,38,555	17,75,677

DIVIDEND

Your Directors regret their inability to recommend any dividend for the financial year ended 31st March 2021 in view of the inadequacy of profits.

PERFORMANCE REVIEW

During the financial year under review, the profit after depreciation and tax was Rs. 26.38 lakhs as against profit of Rs. 17.75 lakhs in the previous year. Your Company has made a turnover of Rs. 185.57 lakhs from Cotton Waste and Cotton Yarn Trading as well as Rs. 172.58 lakhs towards renting of immovable property during the year.

OUTLOOK

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.

CHANGES IN THE NATURE OF BUSINESS, IF ANY

During the year under review, there was no change in the nature of business of the Company.

ANNUAL RETURN OF THE COMPANY

Pursuant to the provisions of Section 134(3) (a) of the Companies Act, 2013, read with Section 92 (3) of the Act the copy of the Annual Return for the financial year ended 31.03.2021 shall be made available on the Company's website viz., <http://www.gnmills.in/>

AMOUNT TRANSFERRED TO RESERVES

During the year under review, the Board of Directors of your company has not transferred any amount to reserves account.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

During the year under review, there was no unclaimed dividend required to be transferred to the Investor Education and Protection Fund.

HOLDING COMPANY :

During the year under review, Your Company is not a subsidiary to any other Company.

SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANIES

During the year under review, your Company does not have any Subsidiary or Joint Venture Company or associate company.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

During the year under review, there have been no significant and material orders passed by the Regulators or Courts or Tribunals, which would impact the going concern status and the Company's operations in future.

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.

INTERNAL CONTROL SYSTEMS AND COMPLIANCE FRAMEWORK

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The Internal financial controls are adequate and are operating effectively so as to ensure orderly and efficient conduct of business operations.

DIRECTORS

During the year under review, there was no change in the constitution of Board of Directors of the Company. In accordance with the Companies Act, 2013 Shri. V.S. Kulandaivel and Smt. Banumathy Chinnaswamy Directors of the Company retire by rotation at the ensuing Annual General Meeting and eligible themselves for reappointment.

NUMBER OF BOARD MEETINGS HELD

During the year under review, the Board of Directors of your Company has duly met 06 times during the financial year from 01st April 2020 to 31st March 2021 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:

14th May 2020, 14th Aug 2020, 24th Aug 2020, 13th Nov 2020, 3rd Dec 2020, 12th Feb 2021.

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

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, 2021 and the date of this report.

DECLARATION BY INDEPENDENT DIRECTORS

During the year under review, the provisions of Section 149 of the Companies Act, 2013 pertaining to appointment of Independent Directors, does not apply to your Company as the company ceased as Listed Company.

KEY MANAGERIAL PERSONNEL

During the year under review, the provisions of Section 203 of the Companies Act, 2013 relating to appointment of Key Managerial Personnel, do not apply to your Company.

EXIT FROM DISSEMINATION BOARD OF NSE

Pursuant to SEBI Circular no. SEBI/HO/MRD/DSA/CIR/P/2016/110 dated October 10, 2016, your company has been removed from the NSE Dissemination Board with effect from April 24, 2019.

AUDITOR

M/s. DIWAKAR & ASSOCIATES, (Firm Registration Number: 015661S), Chartered Accountant, Coimbatore, appointed as Statutory Auditors of the Company at the Extra Ordinary General Meeting held on 01/11/2021 to fill up the casual vacancy raised due to resignation of Mr. K. K. Velumani, Chartered Accountant, Coimbatore (Membership Number 3960) and to audit the books of accounts of the company for the financial year 2020 - 2021, whose appointment expires at the ensuing Annual General Meeting. Now, your board proposed to appoint the same auditors as Statutory Auditors of the Company for the period of 05 years at the ensuing Annual General Meeting.

INTERNAL AUDITOR

Appointment of an internal auditor for the financial year 2020-2021 pursuant to Section 138 of the Company Act, 2013 and read with Rule 13 of the Companies (Accounts) Rules, 2014 does not arise

COST AUDIT

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

SECRETARIAL AUDITORS REPORT

During the year under review, the provisions relating to Section 204 of Companies Act, 2013 does not apply to your Company.

RISK MANAGEMENT POLICY

Your board has taking necessary steps for the development and implement of the Risk Management Policy, for identifying and managing risk. At present the Company has not identified any element of risk which may threaten the existence of the Company.

INTERNAL FINANCIAL CONTROLS

During the year under Review, Your Company had laid down internal financial controls and such internal financial controls are adequate with reference to the Financial Statements and were operating effectively.

NOMINATION AND REMUNERATION COMMITTEE

During the year under review, the provisions of Section 178 of the Companies Act, 2013 relating to the constitution of a Nomination and Remuneration Committee do not apply to the Company and has not devised any policy relating to Directors' appointment and their remuneration.

AUDIT COMMITTEE AND VIGIL MECHANISM

During the year under review, the provisions of Section 177 of the Companies Act, 2013 read with Rule 6 and 7 of the Companies (Meetings of the Board and its powers) Rules, 2013 is not applicable to the Company.

OBSERVATION OF STATUTORY AUDITOR IN RESPECT OF THEIR AUDIT REPORT

Auditor's observations are suitably explained in the notes to the accounts and are self explanatory.

DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SUB-SECTION (12) OF SECTION 143 OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT :

NIL

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 2020-2021.

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.

DISCLOSURE UNDER SECTION 134(3)(I) OF THE COMPANIES ACT, WITH RESPECT TO MATERIAL CHANGES AFTER THE DATE OF FINANCIAL REPORT.

There were no 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, 2021 and the date of this report.

DIRECTORS RESPONSIBILITY STATEMENT

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

- a) In the preparation of annual accounts for the year ended 31st March 2021, 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 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 Bankers, Investors, Customers, Suppliers and Employees for their continuing support in the smooth functioning of your company.

Place : Coimbatore
Date : 13.11.2021

For GNANAMBIKAI MILLS LIMITED
V.S.Chinnaswamy
Chairman
(DIN: 01745060)

For GNANAMBIKAI MILLS LIMITED
Senthil Chinnasamy
Managing Director
(DIN : 00020229)

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 2020-2021 & previous financial year 2019-2020 there is/was no earnings and outgo of foreign exchange.

Place : Coimbatore
Date : 13.11.2021

For GNANAMBIKAI MILLS LIMITED
V.S.Chinnaswamy
Chairman
(DIN: 01745060)

For GNANAMBIKAI MILLS LIMITED
Senthil Chinnasamy
Managing Director
(DIN : 00020229)

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

The unsecured loan was obtained from a director during the year 2001- 2002 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 : 13.11.2021

For GNANAMBIKAI MILLS LIMITED
V.S.Chinnaswamy
Chairman
(DIN: 01745060)

For GNANAMBIKAI MILLS LIMITED
Senthil Chinnasamy
Managing Director
(DIN : 00020229)

UDIN : 21216333AAAAHF7014

INDEPENDENT AUDITOR'S REPORT**To the Members of M/s. GNANAMBIKAI MILLS LIMITED****Report on the Audit of the Financial Statements****Opinion**

I have audited the accompanying financial statements of **M/s GNANAMBIKAI MILLS LIMITED** ("the Company") which comprises the Balance Sheet as at March 31st, 2021, 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 31st, 2021,
- 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 objective 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:

Note 33.

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 along with the required documents.

Note 35.

A loan was obtained from a director Mr. Ramkumar Giri 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.

Note 36.

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 U17111TZ1953PLC000056. 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.

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 5480 shares upto 31.03.2020 and payment was made through Escrow account for the entire 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 period of one year from 05/01/2019 to 04/01/2020, has been completed.

After the completion of one year from the end of exit offer, compliance certificate has been obtained from the Merchant Banker. The company has submitted the compliance certificate and other required documents to NSE during the year and NSE has released the bank guarantee vide letter dt. 10.11.2020 and the same was submitted to the Bank. Accordingly, the Escrow account and Bank Guarantee were closed.

Note 40.

During the year Fixed deposit held by Mr. Senthil Chinnasamy Rs. 1,36,00,000 has been carrying interest at the rate of 4% per annum with effect from 01.04.2019 as per the Board Resolution dated. 13.04.2019.

Note 41.

Nationwide lock down, consequent to spread of COVID-19 pandemic had temporarily disrupted the operations of the company. The business activities during the period (March 24th 2020 to May 15th, 2020) were inoperative, which along with the COVID impact globally (before the lockdown in India) impacted the revenues for the year. Broadly, the impact on revenue is assessed at about Rs. 26 lakhs and Rs.11 lakhs for the year 2020-21 & 2019-20 respectively. Based on the internal and external information up to the date of approval of the financial statements, the company expects to recover the carrying amounts of its assets, investments, trade receivables & contract assets. The Company will continue to monitor the future economic conditions and assess its impact on its financial statements.

Note 42.

Additions made to the Property, Plant & Equipment of the company includes a Motor car amounting to Rs.45,78,246/-, having its Registration No. DL1CS4666, which is registered in the name of its Managing Director Senthil Chinnasamy (DIN:00020229). The car is recorded in the books of the company as it is purchased wholly for the use of the company. However, for easement of the registration process, it has been registered in the name of the Managing Director.

My Opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

As required by the 'Companies (Auditors 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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 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. 37. The company has filed a case against M/s Padmanabha Auto Weavers, M/s Sri Vaari Spinning Mills, M/s.SSM Mills Private Limited and M/s V.R.Textiles P Ltd amounting to Rs. 2,26,000/- 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.

Note No. 28. The company's title of land bearing SF.No.305 & 324 in which to the extent of 62cents is under dispute for which the suit are pending before of the Honourable High Court of Chennai.

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.

For Diwakar & Associates
Firm Reg No. 015661S
Chartered Accountant

P.K. Diwakar
Proprietor
M.No. 216333

PLACE : COIMBATORE
DATE : 13.11.2021

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 2021.

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:

1. (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 Honorable 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 Order 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 31.03.2020	Interest accrued	Repayment	Amount as on 31.03.2021
Inter corporate Deposits (along with interest accrued thereon) from companies in which directors are interested	M/s. GNM Textiles Pvt Ltd	6882459	227032	545000	6564491
Interest free fixed deposits from shareholders	Shri. Ramkumar Giri	5300000			5300000
Fixed deposits @ 4% from Directors along with interest accrued thereon	Shri. Senthil Chinnasamy	14089600	503200	250000	14342800
Interest free fixed deposits from Director	Shri. V.S. Chinnaswamy	26000000			26000000
Interest free Cumulative deposits from Director	Shri. V.S. Chinnaswamy	814000			814000
Interest free Cumulative deposits from Director	Shri. V.S. Chinnaswamy	279353			279353
Unsecured loans @9% along with interest accrued thereon	Shri. Senthil Chinnasamy	4053750	312187	303750	4062187
		57411962	1042419	1098750	57362831

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, 2021 for a period of more than six months from the date they became payable except ESI Payable Rs.1,83,057/-, Urban Land Tax Payable Rs.13,81,250/- & GST of Rs.60,628/-.
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. The company has not raised any money by the way of initial public offer (including debit instruments). In my opinion and according to the information and explanations given to me, the Company has utilized the money raised by way of term loans during the year for the purposes for which they were raised.
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.

For Diwakar & Associates
Firm Reg No. 015661S
Chartered Accountant

P.K. Diwakar
Proprietor
M.No. 216333

PLACE : COIMBATORE
DATE : 13.11.2021

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 2021)

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 31st March 2021 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.

Meaning of Internal Financial Controls over financial reporting

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

1. Pertain to the maintenance of 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 31.03.2021, 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.

For Diwakar & Associates
Firm Reg No. 015661S
Chartered Accountant

P.K. Diwakar
Proprietor
M.No. 216333

PLACE : COIMBATORE
DATE : 13.11.2021

BALANCE SHEET FOR THE YEAR ENDED 31.03.2021

Particulars	Note No	As at 31.03.2021	As at 31.03.2020
I. EQUITY AND LIABILITIES			
(1) SHAREHOLDERS FUNDS:			
(a) Share Capital	1	5398000	5398000
(b) Reserve & Surplus	2	2375874	(262681)
(c) Money received against share warrants		-	-
(2) SHARE APPLICATION MONEY PENDING ALLOTMENT		-	-
(3) NON-CURRENT LIABILITIES			
(a) Long-Term Borrowings	3	70326260	70472613
(b) Deferred Tax Liabilities (Net)		-	-
(c) Other Long Term Liabilities	4	10126226	10131226
(d) Long Term Provisions		-	-
(4) CURRENT LIABILITIES			
(a) Short-Term Borrowings	5	3651424	1359641
(b) Trade Payables	6	414352	431315
(c) Other Current Liabilities	7	11723285	11292143
(d) Short-Term Provisions	8	890694	682103
TOTAL EQUITY & LIABILITIES		104906115	99504360
II. ASSETS			
(1) NON-CURRENT ASSETS			
(a) Property, Plant & Equipment			
(i) Tangible Assets	9	79844181	76953451
(ii) Intangible Assets		-	-
(iii) Capital Work in Progress		-	-
(iv) Intangible asset under development		-	-
(b) Non-Current Investments	10	10264	6696
(c) Deferred Tax Asset	11	4688900	4545600
(d) Long Term Loans and Advances	12	1136521	1030103
(e) Other Non-Current Assets	13	240830	240830
(2) CURRENT ASSETS			
(a) Current Investments		-	-
(b) Inventories		-	-
(c) Trade Receivables	14	12203402	9420921
(d) Cash and Bank Balances	15	296485	1008001
(e) Short-Term Loans and Advances	16	4579168	4622515
(f) Other Current Assets	17	1906364	1676243
		104906115	99504360

Notes on Financial Statements 1 to 25
For and on behalf of the Board

V.S.Chinnaswamy
Chairman
(DIN: 01745060)

Senthil Chinnasamy
Managing Director
(DIN: 00020229)

V.S.Kulandaivel
Director
(DIN: 01086943)

For Diwakar & Associates
Firm Reg No. 015661S
Chartered Accountant

Place: Coimbatore
Date : 13.11.2021

P.K. Diwakar
Proprietor
M.No. 216333

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2021

Sr. No.	Particulars	Note No	As at 31.03.2021	As at 31.03.2020
I	Revenue from Operations	18	18557443	50159046
II	Other Income	19	17471106	16836293
III	Total Revenue (I + II)		36028549	66995339
IV	Expenses:			
	Cost of Materials Consumed			
	Purchase of Stock-in-Trade	20	18014198	49060710
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade			
	Employee Benefit Expense	21	5238613	5387068
	Financial Costs	22	3184853	3684585
	Depreciation and Amortization Expense	23	1857466	1808991
	Other Expenses	24	5301502	5398770
	Total Expenses (IV)		33596632	65340124
V	Profit before exceptional and extraordinary items and tax	(III-IV)	2431917	1655215
VI	Exceptional Items		-	-
	Profit on Sale of Assets		-	-
VII	Profit before Extraordinary Items and Tax (V - VI)		2431917	1655215
VIII	Extraordinary Items			
IX	Profit Before Tax (VII - VIII)		2431917	1655215
X	Tax Expense:			
	(1) Current Tax		215570	-
	Less: MAT Credit		(215570)	-
	(2) Deferred Tax		(143300)	(183800)
	(3) Income Tax - Earlier Year		(63338)	63338
			(206638)	(120462)
XI	Profit (Loss) from the period from continuing operations	(IX-X)	2638555	1775677
XII	I) Profit/(Loss) from discontinuing operations		-	-
	ii) Gain/(Loss) on disposal of assets attributable to the Discontinuing Operations		-	-
XIII	Tax expense of discounting operations		-	-
XIV	Profit/(Loss) from Discontinuing operations	(XII-XIII)	-	-
XV	Profit/(Loss) for the period (XI + XIV)		2638555	1775677
XVI	Earning per equity share:			
	(1) Basic			
	Computed on the basis of loss from continuing Operations		4.89	3.29
	Computed on the basis of total loss for the year		4.89	3.29
	(2) Diluted			
	Computed on the basis of loss from continuing Operations		4.89	3.29
	Computed on the basis of total loss for the year		4.89	3.29

Notes on Financial Statements 1 to 25
For and on behalf of the Board

V.S.Chinnaswamy
Chairman
(DIN: 01745060)

Senthil Chinnasamy
Managing Director
(DIN: 00020229)

V.S.Kulandaivel
Director
(DIN: 01086943)

For Diwakar & Associates
Firm Reg No. 015661S
Chartered Accountant

Place: Coimbatore
Date : 13.11.2021

P.K. Diwakar
Proprietor
M.No. 216333

NOTES ANNEXED TO THE BALANCE SHEET

	Amount As at 31.03.2021	Amount As at 31.03.2020
Note 1 : SHARE CAPITAL		
AUTHORISED CAPITAL		
2000 12% (Less Tax) Cumulative Preference Shares of Rs.100/- each	200000	200000
970000 Equity Shares of Rs. 10/- each	9700000	9700000
	9900000	9900000
ISSUED CAPITAL		
565480 Equity Shares of Rs.10/- each	5654800	5654800
SUBSCRIBED AND PAID UP CAPITAL		
539800 Equity Shares of Rs.10/-each	5398000	5398000
Reconciliation in number of shares		
Opening	539800	539800
Issued during the year	0	0
	539800	539800
Brought Back during the year	0	0
Closing	539800	539800

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 or 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	60230	11.16%	60230	11.16%
Ramkumar Giri	324700	60.15%	324700	60.15%

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 As at 31.03.2021	Amount As at 31.03.2020
Revaluation Reserve		
Opening Balance	40948602	40948602
Add: Additions during the year	0	0
	40948602	40948602
Less: Transfer to Profit & Loss account due to part sale of revalued asset #	0	0
Sub - Total (A)	40948602	40948602

	Amount As at 31.03.2021	Amount As at 31.03.2020
Surplus (Profit & Loss Account)		
Opening Balance	(41211283)	(42986960)
Add: Prior year Income tax provision written back	0	0
Add: Profit/(Loss) for the period	2638555	1775677
Add: Excess Prov. of the previous year written Back	0	0
Add: Transfer from Revaluation Reserve	0	0
	(38572728)	(41211283)
Less : Transfer	0	
Sub - Total (B)	(38572728)	(41211283)
TOTAL (A) + (B)	2375874	(262681)

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	13690480	16372566
The above Term Loan is secured by Industrial Land at Thiruvalluvar Street, SF No. 325/2C of Vellakinar Village, Coimbatore Corpn Tk & Dist to the extent of 1.54 acre.		
HP loans from Banks/ Financial institutions	2792427	256694
The above HP loans are secured by way of hypothecation of the respective cars.		

For the Year 31.03.2021

Particulars	No. of Instalments due	Maturity	Instalment due	Rate of Interest
Equitas Small Finance Bank Ltd. - Loan I	60 Months	10.03.2026	335,735	10.25%
Equitas Small Finance Bank Ltd. - Loan II	49 Months	10.04.2025	16,648	10.25%
Kotak Mahindra Prime Ltd. - Loan II	42 Months	05.09.2024	107,872	11.75%
Kotak Mahindra Prime Ltd. - Loan II	5 Months	01.08.2021	52,565	9.5%

For the Year 31.03.2020

Particulars	No. of Instalments due	Maturity	Instalment due	Rate of Interest
Equitas Small Finance Bank Ltd. - Loan I	72 Months	10.03.2026	335,735	10.25%
Equitas Small Finance Bank Ltd. - Loan II	61 Months	10.04.2025	16,706	10.25%
Kotak Mahindra Prime Ltd.	17 Months	01.08.2021	52,565	9.5%

Unsecured

Deposit (Inter Corporate Borrowings)*	4100000	4100000
* 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.		
Deposits From Directors	45993353	45993353
\$ The above deposits 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 deposits was a interest free loan so rate of interest is NIL.		
Loan from directors	3750000	3750000
	70326260	70472613

\$ The above Unsecured loan is obtained by the management which is for the purpose of renovation of building. The above loan is carrying interest @ of 9% with effect from 01.04.2016.

	Amount As at 31.03.2021	Amount As at 31.03.2020
Note 4 : OTHER LONG TERM LIABILITIES		
Others		
Creditors for Expenses	1343226	1343226
Rent Advance	8783000	8788000
	10126226	10131226

Note 5 : SHORT - TERM BORROWINGS

Secured		
Bank Overdraft	3651424	1359641
The above overdraft is secured by Land at Thiruvalluvar Street, SF No. 325/2C of Vellakinar Vellage, Coimbatore Corporation Tk & Dist to the extent of 1.54 acres and by hypothecation of all current assets and movable fixed assets excluding vehicles specifically hypothecated.		
	3651424	1359641

Note 6 : TRADE PAYABLE

Creditors for Raw Materials		
- Dues to Micro and Small Enterprises	-	-
- Dues to Others	-	-
Creditors for Consumables		
- Dues to Micro and Small Enterprises	-	-
- Dues to Others	196151	213114
Creditors for Contractors		
- Dues to Micro and Small Enterprises	-	-
- Dues to Others	218201	218201
	414352	431315

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 31.03.2021 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	31.03.2021	31.03.2020
.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 further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise.	Nil	Nil

Note 7 : OTHER CURRENT LIABILITIES

Current maturities of Long-Term Debt

- Term Loan from Banks		
Secured	2709321	2413975
- HP Loan from Banks/Financial Institutions		
Secured	1164267	576283
Interest accrued but not due on Borrowings	95739	110789
Interest Accrued and due on Borrowings	2464491	2782459
Interest Accrued and due on Unsecured loan	312187	303750
Interest Accrued and due on deposits (w.e.f.01.04.2019 @ 4% as per BR 13.04.2019)742800	742800	489600
Liability for Taxes	658999	602307
Creditors for Expenses	1204236	1795706
Outstanding Expenses	2371245	2217274
	11723285	11292143

Note 8 : SHORT-TERM PROVISIONS**Provision For Employees Benefit**

Provision for Gratuity	1322111	1212130
Less: Funded - Plan asset	646987	530027
- Gratuity Payable	675124	682103
Others		
Provision for Income Tax	215570	-
	890694	682103

NOTE ANNEXED TO THE BALANCE SHEET
Note 9 : PROPERTY PLANT & EQUIPMENT

(Amount in Rupees)

Particulars	GROSS BLOCK					DEPRECIATION					NET BLOCK	
	Cost As on 01.04.2020	Additions	Transfer to Asset held for sale	Transfer/ Sales	As on 31.03.2021	Up to 01.04.2020	Withdrawn	Transfer to Asset held for sale	Depn. For the Year	Up to 31.03.2021	As on 31.03.2021	As on 31.03.2020
TANGIBLE												
Land	41158122	0	0	0	41158122	0	0	0	0	0	41158122	41158122
Building	48324023	0	0	0	48324023	15030057	0	0	1236955	16267012	32057011	33293966
Furniture & Fittings	183019	0	0	0	183019	180180	0	0	2331	182511	508	2839
Vehicles	4769045	4578246	0	0	9347291	2843263	0	0	491650	3334913	6012378	1925782
Office Equipments	615497	169949	0	66715	718731	480639	66715	0	43441	457365	261366	134858
Electrical Fittings	1203183	0	0	0	1203183	864868	0	0	38687	903555	299628	338315
Computer	1381845	0	0	0	1381845	1282275	0	0	44402	1326677	55168	99570
INTANGIBLE												
Sub Total (A)	97634734	4748195	0	66715	102316214	20681282	66715	0	1857466	22472033	79844181	76953452
Capital Work In Progress												
Building - WIP	0	0		0	0	0	0	0	0	0	0	0
Sub Total (B)	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL (A)+(B)	97634734	4748195	0	66715	102316214	20681282	66715	0	1857466	22472033	79844181	76953452
PREVIOUS YEAR	95742056	1892678	0	0	97634734	18872291	0	0	1808991	20681282	76953452	76869765

	Amount As at 31.03.2021		Amount As at 31.03.2020	
Note 10 : NON-CURRENT INVESTMENTS				
Trade Investments			Nil	Nil
Other Investments				
a) Investments in Subsidiary, associates, joint venture or controlled special purpose entities			Nil	Nil
b) Investments in Others				
I) Investments in Equity Instruments				
Shanthi Gears Ltd., -7484 shares @ Rs. 1/- each Cost	1871		1871	
Less: Provision for Fall in Value of Investments	0	1871	0	1871
Essar Steel India Ltd.,-195 shares @Rs. 10/- each Cost	24156		24156	
Less: Provision for Fall in Value of Investments	22206	1950	22206	1950
Oswal Agro Mills Ltd.,-100 shares @Rs. 10/- each Cost	12225		12225	
Less: Provision for Fall in Value of Investments	11205	1020	11845	400
Lloyds Finance Ltd.,-150 shares @Rs.10/- each Cost	6500		6500	
Less: Provision for Fall in Value of Investments	6388	112	6388	113
Patspin India Ltd., - 100 Shares @Rs.10/- each Cost	1000		1000	
Less: Provision for Fall in Value of Investments	525	475	760	240
Nahar Industrial Enterprises Limited – 100 shares @Rs.10/- each Cost	12000		12000	
Less: Provision for Fall in Value of Investments	7590	4410	10215	1785
Asian Consolidated Ltd.,-500 shares @Rs.10/- each Cost	16000		16000	
Less: Provision for Fall in Value of Investments	15950	50	15950	50
Uttam Value Steels Limited – 200 shares @ Rs.10/- each Cost	1000		1000	
Less: Provision for Fall in Value of Investments	900	100	900	100
Western Paques Ltd.,- 400 shares @Rs.10/- each Cost	26000		26000	
Less: Provision for Fall in Value of Investments	25960	40	25960	40
Steller Exports Ltd., - 1000 shares @Rs.10/- each Cost	10000		10000	
Less: Provision for Fall in Value of Investments	9900	100	9900	100
Lloyds Steels Industries Ltd., - 136 shares @Rs.1/- each Cost	136		136	
Less: Provision for Fall in Value of Investments	0.00	136	88	48
			10264	6696
Aggregate amount of quoted Investment			110888	110888
Market Value of quoted investments			960379	495776
Aggregate amount of unquoted Investment			0	0
Aggregate Provision for diminution in value of Investments			0	0
Note 11 : DEFERRED TAX ASSET				
Opening Balance			4545600	4361800
Adjustment during the year			143300	183800
			4688900	4545600

Note 12 : LONG TERM LOANS AND ADVANCES

i) Capital Advances

Unsecured, considered good;

Advances Towards Capital Expenditure #	-	185082
--	---	--------

ii) Security Deposit

Secured, considered good;

Electricity Deposit	94860	92260
Deposit – Telex	10000	10000
Demat Account -Deposit	-	-
Deposit - Water Connection	64660	64660
Deposit with Demat & NSDL	28859	18867
Telephone Deposits	23175	23175
Indane Gas Deposits	1550	1550
Unsecured, considered good;	-	-
Security Deposits	444580	444580
Deposits- Fuel – Petrol Bunk	20000	20000

Unsecured, considered good;

iii) Loans & Advances to Related Parties *

Unsecured, considered good;

iv) Other Loans & Advances

Advances to Suppliers

Advances to Staff & Workers

MAT Credit

Prepaid Expenses

Doubtful

v) Other Loans & Advances

Advances to Suppliers

1136521**1030103**

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 : OTHER NON-CURRENT ASSETS

Long Term Trade Receivables

a) Secured, Considered Good :

b) Unsecured, Considered Good :

Trade Receivables

c) Doubtful

Other Loans & Advances

240830**240830**

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 14 : TRADE RECEIVABLES

Outstanding for more than six months

a) Secured, Considered Good :		
b) Unsecured, Considered Good :	8180994	8152368
c) Doubtful	-	-
Others *	-	-
a) Secured, Considered Good :	-	-
b) Unsecured, Considered Good :	4022408	1268553
c) Doubtful		
	12203402	9420921

* 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 15 : CASH AND BANK BALANCES

Cash & Cash Equivalents

Cash on Hand	205863	244532
Other Bank Balances	-	-
Balance with Banks	59122	131969
Banks Deposits < 12 Months	-	600000
Banks Deposits > 12 Months	31500	31500
	296485	1008001

Note 16 : 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 @	7004	5889
Advances to Staff & Workers	534795	422295
Deposits with Govt/Other Authorities	500	500
Other Advances	640683	650000
Advance Income Tax/TDS	3262652	3443287
Prepaid Expenses	113534	50544
Prepaid Expenses (Group Gratuity Fund Advance)	20000	50000
	4579168	4622515

Note 17 : OTHER CURRENT ASSETS

OTHER CURRENT ASSETS

Unsecured, considered good;

Interest Accrued on Investments	26899	22919
Receivables	1879465	1653324
	1906364	1676243

NOTES ANNEXED TO THE STATEMENT OF PROFIT AND LOSS

Particulars	Amount As at 31.03.2021	Amount As at 31.03.2020
Note 18 : REVENUE FROM OPERATIONS		
Sale of Products	18557443	50159046
Other Operating Income	18557443	50159046
Note 19 : OTHER INCOME		
Interest Receipts	138306	350119
Dividend	25352	7484
Other Non-operating Income	49775	60693
Rental income	17257673	16417997
	17471106	16836293
Note 20 : PURCHASE OF STOCK IN TRADE		
Cotton Yarn– Purchase		
Opening stock	-	-
Add: Purchases	18014198	49060710
	18014198	49060710
Closing stock	-	-
	18014198	49060710
Note 21 : EMPLOYEE BENEFIT EXPENSES		
Salaries, Wages and bonus	2867983	2886739
Contribution To Provident & Other Funds	240775	384883
Labour welfare expenses	162902	123506
Managing Director's Remuneration	1966953	1991940
	5238613	5387068
Note 22 : FINANCIAL COST		
Interest on Bank Loans /Overdraft from Banks	1969060	2119864
Interest on Vehicle Loan	54497	106556
Interest on Deposits	1127500	1127500
Interest Others	8523	7218
Bank Charges	25273	323447
	3184853	3684585
Note 23 : DEPRECIATION AND AMORTIZATION EXPENSES		
Depreciation	1857466	1808991
Preliminary Expenses W/O		
	1857466	1808991
Note 24 : OTHER EXPENSES		
EB CHARGES	244863	241233
RENT	1235580	1092600
REPAIRS TO BUILDING	286460	214478
INSURANCE	110376	122102
RATES AND TAXES	217986	233151
AUDITORS REMUNERATION	25000	25000
BROKERAGE AND COMMISSION	356248	888882
MISCELLANEOUS EXPENDITURE	2824989	2581324
	5301502	5398770

Note. 25**Significant Accounting Policies and Notes to accounts:****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. Property, Plant and Equipment:

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 31.3.2004 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 Property, Plant and Equipment 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 property, plant and equipment 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 property, plant and equipment. The exercise has not revealed any impairment of assets during the year 2020-21.

c. Depreciation :

Depreciation on property, plant and equipment has been provided as per the schedule-II to 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 and Net Realisable Value.
- b. Yarn - Lower of the cost and 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 up to 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 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 charges to the profit and loss account.

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

Post Retirement benefits comprise of Provident Funds and Employees State Insurance 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 2020-2021	Gratuity 2019-2020
A	Expense recognized during the year		
	1 Current Service Cost	88,084	7,872
	2 Interest Cost	79,395	73,070
	3 Expected return on plan assets	(40,039)	(38,619)
	4 Actuarial (Gain)/Loss during the year	(58,628)	1,47,462
	5 Past Service cost -vested benefits	-	-
	6 Expenses recognized in profit & loss Account	68,812	1,89,785
B	Actual return on plan assets		
	1 Expected return on plan assets	40,039	38,619
	2 Actuarial Gain/(loss) on plan assets	1,130	(3,713)
	3 Actual return on plan assets	41,169	34,906
C	Net Asset/(Liability) recognized in the Balance Sheet		
	1 Present Value of the obligation at the year end	13,22,111	12,12,130
	2 Fair Value of plan assets at the year end	6,46,987	5,30,027
	3 Funded status - Surplus/(Deficit)	(6,75,124)	(6,82,103)
	4 Unrecognized past service cost	-	-
	5 Net Asset/(Liability) recognized in the Balance Sheet	(6,75,124)	(6,82,103)
D	Change in Present Value of the Obligation during the year		
	1 Present Value of the obligation as at the beginning of the year	12,12,130	9,87,439
	2 Current Service Cost	88,084	7,872
	3 Interest Cost	79,395	73,070
	4 Past Service Cost (Vested Benefits)	-	-
	5 Benefits Paid	-	-
	6 Actuarial (Gain)/loss on obligation	(57,498)	1,43,749
	7 Present Value of obligation at the year end	13,22,111	12,12,130
E	Change in Assets during the year		
	1 Fair Value of plan assets at the beginning of the year	5,30,027	4,95,121
	2 Expected return on plan assets	40,039	38,619
	3 Contributions made	75,791	-
	4 Benefits Paid	-	-
	5 Actuarial Gain/(loss) on plan assets	1,130	(3,713)
	6 Fair value of plan assets at the year end	6,46,987	5,30,027
F	Actuarial Assumptions		
	1 Discount rate	6.79%	6.55%
	2 Salary escalation	6.00%	6.00%
	3 Expected rate of return on place assets	7.13%	7.05%

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 :

31.03.2021 31.03.2020

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

Nil

Nil

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 past of 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)	
	31.03.2021	31.03.2020
Net Profit/(Loss) after tax as disclosed in the P&L account	26,38,555	17,75,677
Less : Preference Dividend paid	NIL	NIL
Net Profit/(Loss) after preference Dividend	<u>26,38,555</u>	<u>17,75,677</u>
Weighted Average number of Equity Shares	5,39,800	5,39,800
Basic and Diluted Earnings Per Shares	4.89	3.29

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

1. 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.
2. Estimated amount of contracts to be executed on capital account and not provided for is Rs. NIL (Previous Year Rs. NIL)
3. 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 decree before Honourable Sub-Ordinate Judge court in Thiruchengodu.
4. The company has accepted Inter-corporate deposit from the following companies in which the directors are interested.

	31.03.2021	31.03.2020
M/s. GNM Textiles Private Ltd.	Rs.41,00,000	Rs. 41,00,000

5. Unsecured loans includes a sum of Rs.4,59,93,353/- towards deposits from the following share holder namely.

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)

a. Shri V.S. Chinnaswamy	Rs. 2,60,00,000	Rs.2,60,00,000
Total	<u>Rs. 2,60,00,000</u>	<u>Rs.2,60,00,000</u>

- D. Fixed Deposit of Rs. 1,36,00,000/- towards deposit from the following director with interest at the rate of 4% w.e.f. 01.04.2019

a. Senthil Chinnasamy	Rs. 1,36,00,000	Rs. 1,36,00,000
b. Senthil Chinnasamy - accrued interest	Rs. 7,42,800	Rs. 4,89,600
Total	<u>Rs. 1,43,42,800</u>	<u>Rs. 1,40,89,600</u>

	31.03.2021	31.03.2020
E. Cumulative Deposits (Interest Free)		
Shri. V.S. Chinnaswamy	Rs. 2,79,353	Rs. 2,79,353
6. 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		
a. Shri. Senthil Chinnasamy	Rs. 37,50,000	Rs. 37,50,000
b. Shri. Senthil Chinnasamy - accrued interest	Rs. 3,12,187	Rs. 3,03,750
7. Liabilities for expenses includes a sum of Rs.9,11,448/- payable to the following directors of the company towards salaries:		
a. Shri. V.S.Chinnaswamy - Chairman	Rs. 3,54,477	Rs. 3,54,477
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. 24,64,491/- (PY Rs. 27,82,459/-) 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. 24,64,491/- (PY Rs. 27,82,459 /-)		
9. The TNVAT Assessment of the company has been completed upto 31 st March 2010 and CST Assessment of the company has been completed up to 31.3.2014. 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 includes interest as on 31 st March 2021 to Small and Micro Enterprises as defined under Micro, Small & Medium Enterprises Development (MSMED) 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 Shedule II of the Companies Act, 2013 under Straight Line Method.		
15. The Income Tax assessment of the company have been completed up to assessment year 2016 - 2017.		
16. Figures for the previous year have been regrouped/rearranged wherever necessary.		
	31.03.2021	31.03.2020
17. Auditors Remuneration:		
Audit Fees	25,000	25,000
Tax Audit Fees Representation Fees	-	-
Prior year fees -Taxation	-	-
Others Services-	-	-
	<u>25,000</u>	<u>25,000</u>

18. Bills and Cheque Discounted\		Nil	Nil
19. Raw-Material Consumed			
Cotton/Waste	Kgs.	Nil	Nil
Indigenous	kgs.	Nil	Nil
	Rs.	Nil	Nil
Imported	%	Nil	Nil
	Kgs.	Nil	Nil
20. Stores and Spares Consumed			
Indigenous	Rs.	Nil	Nil
	%	Nil	Nil
Imported	Rs.	Ni	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		Nil	Nil
Foreign Currency on Account of dividend			
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 2021.			
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.Spinnners 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 Mechhno 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	
		31.03.2021	31.03.2020	31.03.2021	31.03.2020	31.03.2021	31.03.2020
1	Fixed Deposit, Accrued Interest	-	-	-	-	-	-
2	ICD, Accrued Interest	-	-	-	-	-	-
3	Cumulative deposits	-	-	-	-	-	-
4	Unsecured Loan received	-	-	1344	-	-	-
5	Unsecured Loan paid back	-	-	1344	-	-	-
6	Rent (Expense)	-	-	1236	1093	1236	1093
7	Remuneration & Perquisites	-	-	1967	1992	1967	1992
8	Interest	246	246	882	882	1128	1128
9	Rent (Income)	107	61	-	-	107	61
As on 31.03.2021		Companies under same management		Key Managerial Personnel and their relatives		Total	
Amount Payable		6589		52072		58662	
Amount Receivable		152		-		152	
Amount Written off		-		-		-	

26. Deferred Tax Liabilities/ Assets	31.03.2021		31.03.2020	
	Deferred Tax Assets	Deferred Tax Liabilities	Deferred Tax Assets	Deferred Tax Liabilities
Depreciation difference between book of account and Income tax Act, :	1,02,917	-	1,33,886	-
43B Liabilities/Other Expenses:	6,64,162	-	6,80,010	-
40 (a)(ia) Liabilities :	-	-	-	-
Unabsorbed losses:	39,21,772	-	37,31,681	-
MAT Credit CF for set off	-	-	-	-
	46,88,851	-	45,45,577	-
Net Deferred Tax Assets/(Liabilities):		46,88,900		45,45,600
Less: Opening Deferred Tax Asset		45,45,600		43,61,800
Net Deferred Tax charged to Statement of Profit & Loss		1,43,300		1,83,800
27. Guest House Expenses of Rs. 54,487/- (P.Y. Rs. 61,236/-) 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 62cents 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 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. 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 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.				

33. The company has received a notice from the office of the commissioner of customs Tuticorin on 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, along with the required documents.
34. 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.14,49,458/- as a additional liability to the company. During the year 2020-21 adequate provision has been made in the books of the company.
35. A loan was obtained from a director (Mr. Ramkumar Giri) 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.
36. 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 the 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 U17111TZ1953PLC000056. 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.

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 5480 shares upto 31.03.2020 and payment was made through Escrow account for entire shares submitted by the Shareholders on exit offer process.

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 period of one year from 05/01/2019 to 04/01/2020, has been completed.

After the completion of one year from the end of exit offer, compliance certificate has been obtained from the Merchant Banker. The company has submitted the compliance certificate and other required documents to NSE during the year and NSE has released the bank guarantee vide letter dt. 10.11.2020 and the same were submitted to the Bank and the escrow account has been closed. Now, the company has completely come out of the Dissemination Board.

37. The company has filed a case against M/s Padmanabha Auto Weavers, M/s Sri Vaari Spinning Mills, M/s. S.S.M Mills Private Limited and M/s V.R.Textiles P Ltd amounting to Rs.2,26,000/-, 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.
38. The Company has been exploring the possibility of extending the trading of 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. The company has let out portion of mill buiding to M/s.Texmo Industries as per the memorandum amended as per the approval of shareholders on 18th February 2013.
39. 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 at the rate of 9% per annum with effect from 01.04.2016.
40. During the year Fixed deposit held by Mr.Senthil Chinnasamy Rs.1,36,00,000 has been carrying interest at the rate of 4% per annum with effect from 01.04.2019 as per the Board Resolution dated. 13.04.2019.

41. Nationwide lock down, consequent to spread of COVID-19 pandemic had temporarily disrupted the operations of the company. The business activities during the period (March 24th 2020 to May 15th, 2020) were inoperative, which along with the COVID impact globally (before the lockdown in India) impacted the revenues for the year. Broadly, the impact on revenue is assessed at about Rs. 26 lakhs and Rs.11 lakhs for the year 2020-21 & 2019-20 respectively. Based on the internal and external information up to the date of approval of the financial statements, the company expects to recover the carrying amounts of its assets, investments, trade receivables & contract assets. The Company will continue to monitor the future economic conditions and assess its impact on its financial statements.
42. Additions made to the Property, Plant & Equipment of the company includes a Motor car amounting to Rs.45,78,246/-, having its Registration No. DL1CS4666, which is registered in the name of its Managing Director Senthil Chinnasamy (DIN:00020229). The car is recorded in the books of the company as it is purchased wholly for the use of the company. However, for easement of the registration process, it has been registered in the name of the Managing Director.

V.S.Chinnaswamy
Chairman
(DIN: 01745060)

Senthil Chinnasamy
Managing Director
(DIN: 00020229)

V.S.Kulandaivel
Director
(DIN: 01086943)

For Diwakar & Associates
Firm Reg No. 015661S
Chartered Accountant

P.K. Diwakar
Proprietor
M.No. 216333

Place: Coimbatore
Date : 13.11.2021

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31.03.2021

(Rs.in thousands)

	As at 31.03.2021	As at 31.03.2020
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / Loss before Tax from Continuing operations	2431917	1655215
Net Profit/ Loss before Tax from Discontinuing operations	0	0
Net Profit/ Loss before Tax and extraordinary items	2431917	1655215
Adjustment for :		
Depreciation on Continuing Operations	1857466	1808991
Depreciation on Discontinuing Operations	0	0
Interest & Finance charges on Borrowings	3184853	3684585
Interest & Dividend Income	(163658)	(357603)
Profit on sale of Asset	(8500)	0
Fall in Value of Investments	(3569)	3715
Asset Written Off – Computer WIP	0	0
Income Tax	0	0
Loss on sale of Assets	0	0
Operating Profit before working capital changes	7298509	6794903
Adjustments :		
Trade & Other receivables	(2782481)	1848126
Inventories	0	0
Loans & Advances	(293192)	1258254
Current Liabilities	617771	(2849725)
Cash generated from Operations	4840607	7051558
Income Tax - Earlier year	63338	(63338)
Cash generated from Operations before extra-ordinary items	4903945	6988220
Extra ordinary Items:		
Net Cash from Operating Activities	4903945	6988220
B. CASH FLOW FROM INVESTING ACTIVITIES		
Increase or Decrease in Investments	0	108
Sale of Fixed Assets	8500	0
Acquisition of Fixed Assets	(4748195)	(1892678)
Interest Received	138306	350119
Dividend Received	25352	7484
Net Cash from Investing Activities	(4576037)	(1534967)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase in Share Capital	0	0
Proceeds from Long Term Borrowings	(146353)	(3526989)
Increase/Decrease in Short term borrowings	2291783	1359641
Interest Paid	(3184853)	(3684585)
Net Cash used in financing activities	(1039423)	(5851933)
Net increase in cash & cash equivalents	(711516)	(398680)
Net increase in cash & cash equivalents (Opening)	1008001	1406681
Net increase in cash & cash equivalents (Closing)	296485	1008001

As per our report of
data annexedV.S.Chinnaswamy
Chairman
(DIN: 01745060)Senthil Chinnasamy
Managing Director
(DIN: 00020229)V.S.Kulandaivel
Director
(DIN: 01086943)For Diwakar & Associates
Firm Reg No. 015661S
Chartered AccountantP.K. Diwakar
Proprietor
M.No. 216333Place: Coimbatore
Date : 13.11.2021

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 Alankar Building, III Floor, No. 551, D.B. Road
R.S. Puram, Coimbatore - 641 002.
Name of the Members
Registered Address
E-mail Id
Folio No. / Client Id
DP ID

I/We, being the member(s) ofshares of the above named company, hereby appoint.

1. Name :
Address :
E-mail Id :
Signature : of failing him.
1. Name :
Address :
E-mail Id :
Signature : of failing him.
3. Name :
Address :
E-mail Id :
Signature : of failing him.

as my/our proxy to attend and vote (on a poll) for me / us and on my / our behalf of the 84th Annual General Meeting to be held on Wednesday, the 8th December 2021 at 10.45 AM 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)

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

Affix
Revenue
Stamp

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.

GNANAMBIKAI MILLS LIMITED

84th Annual Report
for the year ended 31st March, 2021