



Quality

is our motto..

Growth

is our passion..



BANNARI AMMAN
Spinning Mills Ltd.



BOARD OF DIRECTORS

Dr S V Balasubramaniam	-	Chairman
Sri S V Alagappan	-	Vice Chairman
Sri S V Arumugam	-	Managing Director
Sri S K Sundararaman	-	Executive Director
Dr S V Kandasami	-	Director
Sri A Senthil	-	Director
Sri V Venkata Reddy	-	Director
Sri K N V Ramani	-	Director
Sri C S K Prabhu	-	Director
Dr K R Thillainathan	-	Director
Sri S Palaniswami	-	Director
Sri K Sadhasivam	-	Director

AUDITORS

M/s P. N. Raghavendra Rao & Co
Chartered Accountants
Coimbatore - 641 009

INTERNAL AUDITORS

Srivatsan & Gita
Chartered Accountants
Coimbatore - 641 018

COMPANY SECRETARY

Sri N Krishnaraj

REGISTERED OFFICE

252, Mettupalayam Road,
Coimbatore 641 043, Tamilnadu
Ph No. : 0422 - 2435555
<http://www.bannarimills.com>

BANKERS

The Karur Vysya Bank Limited
Corporation Bank
ICICI Bank Limited
Oriental Bank Of Commerce
Indian Overseas Bank
Bank Of Maharashtra
Indian Bank

SPINNING DIVISION

UNIT I

Nadukandanur Pirivu,
Morepatty Post,
Vadamadurai, Dindigul 624 802,
Tamilnadu

UNIT II

Velvarkottai,
Dindigul Trichy National Highway 45,
Vedasandur Taluk,
Dindigul - 624 803, Tamilnadu

TECHNICAL TEXTILE DIVISION

Coimbatore - Sathy Road,
Kunnathur Village,
Ganesapuram (post), SS Kulam (via),
Coimbatore 641 107, Tamilnadu

WEAVING DIVISION

Karanampet - Paruvai Road
Paruvai Post, Coimbatore - 641 658,
Tamilnadu

WINDMILL DIVISION

UNIT I

Irukandurai & Dhanakarkulam
Villages, Radhapuram Taluk,
Tirunelveli District, Tamilnadu

UNIT II

Chinnapudur Village,
Dharapuram Taluk, Erode District,
Tamilnadu

UNIT III

Melkaraipatti & Kottathurai
Villages, Palani Taluk,
Dindigul District, Tamilnadu

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NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the **19th** Annual General Meeting of the Members of the Company will be held at Nani Kalai Arangam, Mani Higher Secondary School, Pappanaickenpalayam, Coimbatore 641037 on the 23rd day of September 2009 at 10.00 AM to transact the business set out in the agenda given below:

AGENDA

ORDINARY BUSINESSES

1. To receive and adopt the Balance Sheet as at 31st March, 2009 and the Profit and Loss Account for the year ended on that date together with the reports of the Directors' and the Auditors thereon.
2. To declare Dividend.
3. To appoint a Director in the place of Sri S V Alagappan, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in the place of Sri C S K Prabhu, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in the place of Sri K Sadhasivam, who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESSES

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

RESOLVED that in supersession of the earlier Resolution passed in this regard and pursuant to Section 293 (1) (d) and other applicable provisions of the Companies Act, 1956, the consent of the members be and is hereby granted to the Board of Directors of the Company to borrow for the purposes of its business, apart from temporary loans obtained and or to be obtained from the Company's bankers in the ordinary course of business, a sum or sums of money not exceeding Rs.750 Crores (Rupees Seven Hundred and Fifty Crores Only), excluding the interest accrued thereon, notwithstanding that such aggregate amount of borrowing outstanding at any one time may exceed paid up capital and its free reserves, that is to say, reserves not set apart for any specific purpose, from the Company's bankers or from any person or persons, firms, bodies corporate or financial institutions and by way of public deposits, advances or other loans whether unsecured or secured by mortgage, charge, hypothecation or pledge of any or all of the Company's assets and properties existing and future, on such terms and conditions as the Board of Directors may from time to time, deem fit.

Notes:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY. A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. Proxies, in order to be effective, should be deposited with the Company, forty eight hours before the meeting.
3. The Register of Members and the Share Transfer Books of the Company will remain closed 17.09.2009 to 23.09.2009 (both days inclusive).

4. The dividend, if declared, will be paid to those members whose names appear on the Register of Members of the Company as on 23.09.2009. In respect of dematerialized shares, dividend will be paid on the basis of the beneficial ownership furnished by the National Security Depository Limited and Central Depository Services (India) Limited at the end of the business hours on 16.09.2009.
5. The dividend remaining unclaimed for a period of 7 years will be transferred to Investor Education and Protection Fund established under Section 205C of the Companies Act, 1956 on the respective due dates; upon such transfer, no claim shall lie against the company or the Central Government for such unclaimed dividend.
6. The relevant explanatory statement pursuant to Section 173 of the Companies Act, 1956 in respect of the special business under Item 7 is annexed.
7. Members are requested to bring their copy of the Annual Report along with them to the meeting.

BY ORDER OF THE BOARD

S V BALASUBRAMANIAM
Chairman

Coimbatore
30th June 2009

EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956:
Item No. 7 :

As per Section 293 (1) (d) of the Companies Act, 1956, the Board of Directors of the Company can borrow money (other than temporary borrowings from Company's Bankers) in excess of the paid up share capital and free reserves only with the prior consent of the shareholders. Considering future modernisation and expansion plans of the business, the existing limit of Rs. 250 Crores approved by the shareholders at their meeting held on 04.07.2005 is likely become inadequate. Therefore, the borrowing powers of the Board is proposed to be suitably revised from Rs.250 Crores to Rs.750 Crores. Necessary resolution is placed before the shareholders for their approval.

None of the Directors of the Company is interested in the above item of Agenda.

BY ORDER OF THE BOARD

S V BALASUBRAMANIAM
Chairman

Coimbatore
30th June 2009



RE-APPOINTMENT OF DIRECTORS

A brief resume in respect of the proposed re-appointment of Directors is given below in terms of Clause 49 of the Listing Agreement.

Name	: Sri S V Alagappan
Age	: 67 years
Qualification	: B.Com., B.L
Date of Appointment	: 10.07.1989
Experience	: He has more than 35 years of experience in Industry Business
Other Directorships	: Annamallai Infrastructures Limited Bannari Amman Enterprises Limited Bannari Amman Exports Limited Bannari Amman Sugars Limited Bannariamman Finance Limited Bannari Amman Flour Mill Limited Kerala Alcoholic Products Limited Shiva Cargo Movers Limited Shiva Distilleries Limited Shiva Taxyarn Limited Anamallais Agencies Private Limited Anamallais Automobiles Private Limited Annamallai Enterprise Private Limited Annamallai Estates Private Limited Annamallai Retreading Company Private Limited AA Tyre Retreading Company Private Limited Bannari Amman Apparel Private Limited Bannari Amman Infrastructures Private Limited Bannari Techno Park Private Limited Kwality Clothes Private Limited Sakthi Murugan Transports Private Limited Shiva Automobiles Private Limited Vadivelan Enterprises Private Limited Vedanayagam Hospital Private Limited
Member of Committees	: Nil
Member of Committees in other Public Limited Companies	: Nil
Number of Shares held in the Company	: 2,502

Name	: Sri C S K Prabhu
Age	: 54 years
Qualification	: B.Com., FCA
Date of Appointment	: 25.07.2005
Experience	: He has more than 30 years of experience in Audit Profession
Other Directorships	: Shiva Texyarn Limited Super Spinning Mills Limited Kakatiya Textiles Limited The Scientific Fertilizer Company Private Limited
Member of Committees	: Audit Committee – Chairman Remuneration Committee – Member Investor’s Grievance Committee - Chairman
Member of Committees in other Public Limited Companies	: Shiva Texyarn Limited: Audit Committee - Member Super Spinning Mills Limited: Audit Committee – Chairman Remuneration Committee – Chairman Investor’s Grievance Committee – Member Kakatiya Textiles Limited: Audit Committee – Member Remuneration Committee – Member Investor’s Grievance Committee - Member
Number of Shares held in the Company	: Nil
Name	: Sri K Sadhasivam
Age	: 62 years
Qualification	: B.Sc.,
Date of Appointment	: 22.08.2006
Experience	: He has more than 35 years of experience in Transport Business
Other Directorships	: Nil
Member of Committees	: Nil
Member of Committees in other Public Limited Companies	: Nil
Number of Shares held in the Company	: Nil

BY ORDER OF THE BOARD

Coimbatore
30th June 2009

S V BALASUBRAMANIAM
Chairman



BANNARI AMMAN
Spinning Mills Ltd.

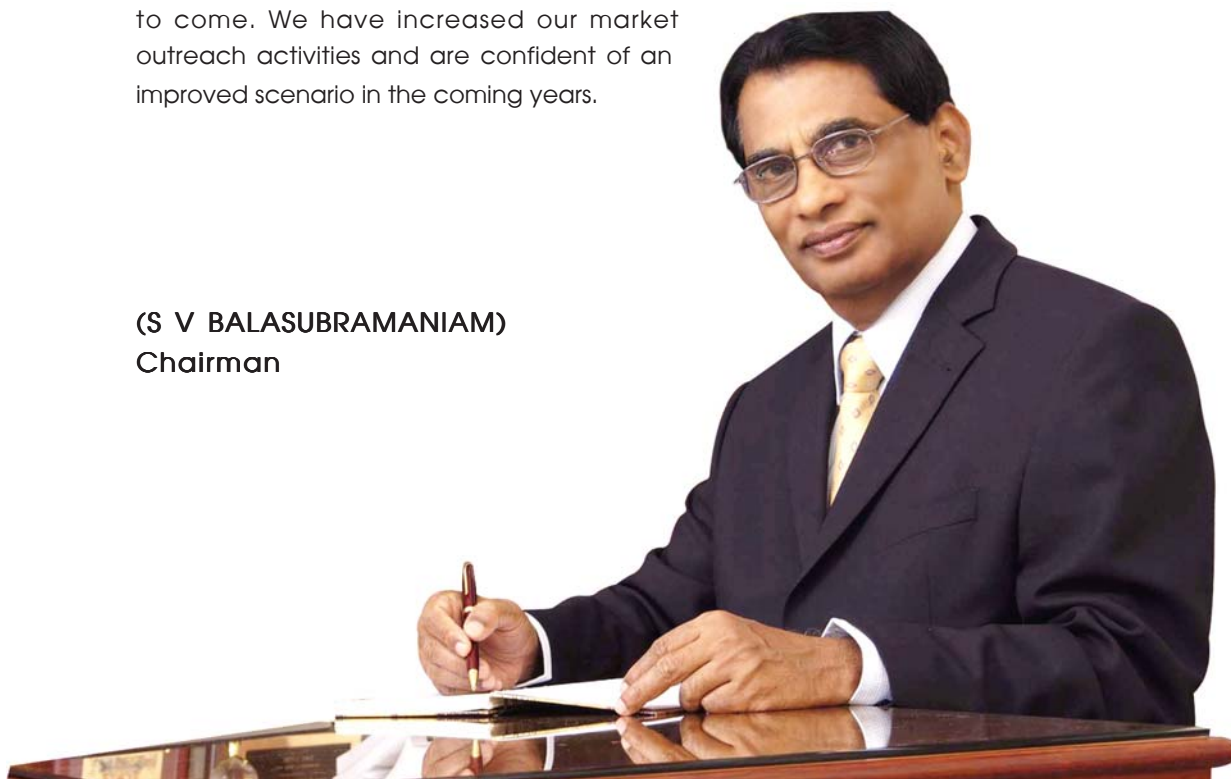
CHAIRMAN'S LETTER

Dear Shareholders,

The Indian textile Industry is facing a challenging environment in the face of global recession, increasing raw material prices and the drastic curtailment of power supply. While recession has caused a significant dip in exports in the last two quarters of 2008 and a consequent decrease in demand for textile products across the world, the more serious challenge facing us is the unavailability of power in the medium term, a critical factor for our power intensive industry.

Our company has implemented a slew of cost optimizing and efficiency boosting measures in this period, shielding us to an extent from the full brunt of the negative factors affecting our sector. Our increased capacities have come into utilization as can be seen from the financial results. Our efforts to create more visibility for our products and to value add across product categories will stand us in good stead in the years to come. We have increased our market outreach activities and are confident of an improved scenario in the coming years.

(S V BALASUBRAMANIAM)
Chairman



DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Nineteenth Annual Report together with audited accounts of the Company for the year ended 31st March, 2009.

FINANCIAL RESULTS

	(Rs in Lakhs)	
	2008-2009	2007-2008
Profit before Depreciation	3,139.28	3,122.39
Less: Depreciation	2,180.84	1,493.26
Less : Fringe Benefit Tax & Other Taxes	153.60	523.81
Profit after Tax	804.83	1,105.32
Surplus brought forward from last year	238.73	252.05
	1,043.56	1,357.37
Amount available for appropriation		
Appropriations:		
Provision for Equity Dividend	157.54	315.09
Provision for Tax on Dividend	26.77	53.54
Transfer to General Reserve	75.00	750.00
Surplus carried over to Balance Sheet	784.25	238.74
	1,043.56	1,357.37

DIVIDEND

Your Directors are glad to recommend payment of dividend of Re. 1/- per Equity share of Rs. 10/- each (i.e 10% on the Equity Capital) to the equity shareholders. The dividend on equity shares, together with distribution tax on corporate dividend, absorbs Rs.184.31 Lakhs. The dividend will be free from income tax in the hands of shareholders.

REVIEW OF OPERATIONS

The overall performance of the company during the year under review was affected by the unfavorable economic conditions and the recessionary trends prevailing world wide. The fall in consumption of textile products in USA and other European Countries has severally affected the exports resulting in lower export earnings.

The performance of Spinning and Weaving Divisions were further affected by lower capacity utilization due to intense power cut and intermittent power shutdowns prevailing in Tamilnadu and unfavorable cotton prices for most part of the year. Hence the profitability from the Spinning and Weaving Divisions were lower when compared to the last year. With the anticipated revival of economy, improvement in power supply situation, favorable cotton and yarn prices, Directors are hopeful of better performance in the current financial year. The Division-wise performance of the company is as follows:



BANNARI AMMAN
Spinning Mills Ltd.

Spinning Division

During the year under review, the Textile Mill produced 18365.843 tonnes – inclusive of purchased quantity (557.58 tonnes) of Yarn and sold 18572.42 tonnes (14103.56 tonnes) of Yarn. The sales include 5163.25 tonnes (5515.90 tonnes) by way of Export. The total sales of this division amounted to Rs.24600.73 Lakhs (Rs.15952.62 Lakhs) of which export sales amounted to Rs.6249.93 Lakhs (Rs.6449.21 Lakhs) constituting 25.41% (40.37%) of the total revenue. The demand and realizations of finished products in Spinning Division were encouraging.

Weaving Division

The Weaving Division specializes in manufacturing wide-width cotton fabric. During the year under review, 42.98 Lakh Metres (14.97 Lakh Metres) of Fabric were produced and 38.29 Lakh metres (12.68 Lakh metres) of Fabric were sold.

Wind Mill Division

The company has 4 windmills of 1250 KVA each totalling 5 MW in Tirunelveli District, Tamilnadu (Windmill Unit 1) and 14 Nos Windmills, each of 800 KW capacity totaling 11.20 MW capacity at Dharapuram Taluk, Erode District, Tamilnadu (Windmill Unit 2). The total installed capacity of Windmills is 16.20 MW.

The windmills produced 298.75 Lakh units of wind energy as against 321.64 lakh units produced in the last year. The whole of the Wind energy produced is captively consumed by the Spinning Units.

Processing and Technical Textiles Division

During the year under review, 11.52 Lakh Metres (Nil) of Coated Fabric were produced and 10.66 Lakh metres (Nil) of Coated Fabric were sold. The end products/applications of these fabrics include Home Textiles, upholstery, apparel fabric, performance and industrial fabric.

During the year under review, 5.83 Lakh Metres (1.49 Lakh Metres) of Breathable water proof Fabric were produced and 5.14 Lakh metres (1.93 Lakh metres) of were sold under the Brand name Quick dry.

Prospects for the current year and Expansions

The expansion of Spinning units and weaving units were completed and commercial sale to both domestic as well as international markets has been well received. The results of the same will be reflected in the forthcoming years.

To meet the power requirements of the Spinning Divisions, additional 9 Windmills each of 800 KW capacity totaling 7.20 MW capacity is being installed near Pushpathur, Dindigul District, Tamilnadu and will be fully operational in the next year.

Initial Public Offer proceeds of Rs.94.50 Crores have been fully utilized in the implementation of expansion of Spinning units, establishment of Weaving and Processing units.

PUBLIC DEPOSITS

The Company has not accepted any deposits from the Public.

DIRECTORS

Sri S V Alagappan, Sri C S K Prabhu and Sri K Sadhasivam Directors will retire by rotation at the ensuing Annual General Meeting and they are eligible for reappointment.

AUDIT COMMITTEE

The Audit Committee comprises of

- | | |
|---------------------|--|
| 1. Sri C S K Prabhu | - Chairman (Non- Executive Independent Director) |
| 2. Sri A Senthil | - Member (Non- Executive Director) and |
| 3. Sri K N V Ramani | - Member (Non- Executive Independent Director) |

PARTICULARS OF EMPLOYEES

The information required under section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975 and forming part of the Director's report is furnished in Annexure-I.

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

The particulars required to be included in terms of Section 217(1) (e) of the Companies Act, 1956 with regard to conservation of energy, technology absorption, foreign exchange earnings and outgo are given in Annexure -II.

DIRECTORS' RESPONSIBILITY STATEMENT

As stipulated in Section 217 (2AA) of the Companies Act, 1956 your Directors confirm that:

- (i) Your directors have followed the applicable accounting standards in the preparation of annual accounts;
- (ii) Your Directors have 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 2008-2009 and of the profit of the company for that period;
- (iii) Your Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities; and
- iv) Your Directors have prepared the annual accounts on a going concern basis.

CORPORATE GOVERNANCE

A separate section on Corporate Governance, Management Discussion and Analysis and a certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under clause 49 of the Listing Agreement form part of this Annual Report.

AUDITORS

The present Auditors of the Company M/s P.N.Raghavendra Rao & Co, Chartered Accountants, Coimbatore, are retiring at the ensuing Annual General Meeting and are eligible for re-appointment.

INDUSTRIAL RELATIONS

The relationship with employees continued to remain cordial throughout the year under review.

ACKNOWLEDGEMENT

Your Directors acknowledge with gratitude the timely assistance and help extended by the Bankers for having provided the required bank facilities. Your Directors wish to place on record their appreciation of the contributions made by the employees at all levels for the excellent performance of your company.

BY ORDER OF THE BOARD

Coimbatore
30th June 2009

S V BALASUBRAMANIAM
Chairman



ANNEXURE I

Statement pursuant to section 217(2A) of the Companies Act, 1956 and the companies (Particulars of employees) Rules, 1975

Name	Designation	Remuneration Received Rs.	Qualification	Age in years as on 31.03.09	Experience in years	Date of commencement of Employment	Particulars of last Employment
Sri S V Arumugam	Managing Director	51,69,844	B.Sc., ACA	60	29	27.06.2005	Managing Director Shiva Texyarn Ltd
Sri S K Sundararaman	Executive Director	28,31,293	MBA	35	10	27.06.2005	Managing Director Bannari Info Tech Private Limited

- Note :
1. The nature of employment is contractual.
 2. Sri S V Arumugam, Managing Director is related to Dr S V Balasubramaniam, Chairman, Sri S V Alagappan, Vice Chairman, Dr S V Kandasami and Sri A Senthil, Directors.
 3. Sri S K Sundararaman, Executive Director is related to Dr S V Kandasami.
 4. Remuneration comprises of salary, commission, allowances, contribution to provident fund and monetary value of perquisites.

BY ORDER OF THE BOARD

Coimbatore
30th June 2009

S V BALASUBRAMANIAM
Chairman

ANNEXURE II

Information pursuant to Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988

A. CONSERVATION OF ENERGY

Energy conservation continues to the top priority of the Company and efforts are being made to benchmark it with global standards. Various studies are being conducted for reduction of consumption of energy on a continuous basis and as a result, new devises are being installed then and there to conserve energy.

a. Energy Conservation Measures taken

- i) Optimum utilization of the humidification plants and reduction of fan angles to regulate the air flow.
- ii) Installation of energy saving Fans, reduction of Ring dia and Lift and arrangement of lighting Bulbs.
- iii) Using cheaper alternative fuels.

b. Additional Investments and Proposals, if any, being implemented for reduction of consumption of energy:

The Company has plans to install latest energy saving machineries for reduction of consumption of power in the process of production in the spinning units.

c. Impact of the measures (a) and (b) above for reduction of energy consumption and consequent Impact on cost of production of goods:

The above measures already implemented have resulted in reduction of power consumption and consequent reduction in cost of production of finished goods.

The above measures already implemented have resulted in reduction of power consumption and consequent reduction in cost of production of finished goods.

Form A-Particulars with respect of energy conservation		
PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
I. POWER AND FUEL CONSUMPTIONS		
1. Electricity		
a) Purchased (includes power availed from Wind Mills)	764.73	490.80
Amount spent (Rs in Lakhs)	2,580.94	2,016.50
Rate per unit (Rs)	3.37	4.11
b) Own Generation		
i) Through Diesel Generator		
Total Units produced (in Lakhs)	30.00	28.21
Units produced per litre of diesel (Units)	3.43	3.64
Amount spent (Rs in lakhs)	266.10	223.18
Cost per unit (Rs)	8.87	10.61
ii) Through steam turbine/generator	Nil	Nil
2. Coal	Nil	Nil
3. Furnace oil	Nil	Nil
4. Others /Internal Generation	Nil	Nil
II. CONSUMPTION PER UNIT OF PRODUCTION		
Product: COTTON YARN	Current Year	Previous Year
Production in MT	17,808.26	14,629.70
Electricity consumed in units (in Lakhs)	733.44	484.10
Electricity consumed per Kg of yarn (Units)	4.12	3.31



B) TECHNOLOGY ABSORPTION RESEARCH AND DEVELOPMENT (R&D)

1. Specific areas in which R&D carried out by the Company	:	Nil
2. Benefits derived as a result of above R&D	:	Nil
3. Future Plan of Action	:	Nil
4. Expenditure on R&D	:	Nil
5. Technology absorption, adaptation and innovation	:	Nil
i) Efforts in brief, made towards technology absorption, adaptation and innovation	:	Nil
ii) Benefits derived as a result of above effects	:	Nil
iii) Imported Technology	:	Nil

C) FOREIGN EXCHANGE EARNINGS AND OUTGO

i) Total Foreign Exchange used Remittance in Foreign Currency on account of travel, training etc., Remittance in Foreign Currency on account of travelling	:	Rs.7,90,277/-
Remittance in Foreign Currency on account of Commission	:	Rs.49,34,716/-
Remittance in Foreign Currency on account of Interest	:	Rs.3,52,78,164/-
Purchase of Spares and Capital Goods	:	Rs. 6,64,82,607/-
Purchase of Raw Materials	:	Rs. 25,99,45,240/-
ii) Foreign Exchange earned	:	Rs. 48,06,90,917/-

BY ORDER OF THE BOARD

Coimbatore
30th June 2009

S V BALASUBRAMANIAM
Chairman

CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company's philosophy on Corporate Governance envisages the attainment of high levels of transparency, accountability, fairness and equity in all facets of procedures and reporting systems.

Bannari Amman Spinning Mills Limited has adopted a Code of Conduct which lays down standards of values, ethics and business principles of management.

BOARD OF DIRECTORS

The Board comprises of 12 Directors viz., 1 Non Executive Chairman, 2 Executive Directors and 9 Non Executive Directors. 6 Directors are Independent Directors.

NAME OF THE DIRECTOR	CATEGORY	NUMBER OF DIRECTORSHIPS HELD IN OTHER COMPANIES**	NUMBER OF BOARD / COMMITTEE MEMBERSHIP HELD IN OTHER COMPANIES *	
			Chairman	Member
1. Dr S V Balasubramaniam	Chairman, Non-Executive	11	-	1
2. Sri S V Alagappan	Non-Executive	10	-	-
3. Dr S V Kandasami	Non-Executive	5	-	-
4. Sri S V Arumugam	Executive	11	1	2
5. Sri S K Sundararaman	Executive	1	-	1
6. Sri A Senthil	Non-Executive	1	-	-
7. Sri V Venkata Reddy	Non-Executive Independent	4	4	1
8. Sri K N V Ramani	Non-Executive Independent	7	5	2
9. Sri C S K Prabhu	Non-Executive Independent	3	2	5
10. Dr K R Thillainathan	Non-Executive Independent	1	-	1
11. Sri S Palaniswami	Non-Executive Independent	1	-	1
12. Sri K Sadhasivam	Non-Executive Independent	-	-	-

Directors under Sl.no 1 to 4 are related to each other as brothers and Sl.no 3 and 5 & Sl.no 4 and 6 are related as father and son respectively.

* excluding private companies which are not subsidiary of public limited companies.

** only Committees formed under Clause 49 of the Listing Agreement are considered.

BOARD MEETINGS AND ANNUAL GENERAL MEETING

During the financial year, 5 Board Meetings were convened by giving advance notices to the Directors. The meetings were held on 26.05.2008, 30.06.2008, 28.07.2008, 29.10.2008 and on 28.01.2009 at 1212, Trichy Road, Coimbatore-18.

The Board is given all material information which are incorporated in the Agenda papers for facilitating meaningful and focused discussions at the meetings.



Details of attendance of each Director at the Board Meetings and at the last Annual General Meeting held on 29.09.2008:

NAME OF THE DIRECTOR	NUMBER OF BOARD MEETINGS ATTENDED	LAST AGM ATTENDED YES/NO
Dr S V Balasubramaniam	5	Yes
Sri S V Alagappan	5	Yes
Dr S V Kandasami	3	Yes
Sri S V Arumugam	5	Yes
Sri S K Sundararaman	5	Yes
Sri A Senthil	3	Yes
Sri V Venkata Reddy	4	Yes
Sri K N V Ramani	5	Yes
Sri C S K Prabhu	5	Yes
Dr K R Thillainathan	4	Yes
Sri S Palaniswami	4	Yes
Sri K Sadhasivam	5	Yes

AUDIT COMMITTEE

The Audit Committee consists of 3 Directors, of which 2 are independent.

Sri C S K Prabhu	-	Chairman	-	Independent
Sri K N V Ramani	-	Member	-	Independent
Sri A Senthil	-	Member		

The Audit Committee shall inter-alia review the following:

- a) Company’s financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct and sufficient.
- b) Quarterly and Annual financial statements before submission to the Board for approval.
- c) Review with management, external and internal auditors the adequacy of internal control system, significant findings and follow-up thereon.
- d) Company’s financial and risk management policies.
- e) Management discussion and analysis of financial condition and result of operations.

During the financial year, the Audit Committee met 5 times and the attendance of each member is furnished below:

Name of the Member	No of Meetings Attended
Sri C S K Prabhu	5
Sri K N V Ramani	5
Sri A Senthil**	2
Sri S V Alagappan*	Nil

*Ceased as member w.e.f. 26.05.2008

**Appointed as member w.e.f 26.05.2008

REMUNERATION COMMITTEE

The Remuneration Committee consists of 3 Directors. All are independent.

1. Sri K N V Ramani - Chairman
2. Sri C S K Prabhu - Member
3. Sri V Venkata Reddy - Member

The terms of reference specified by Board of Directors to the Remuneration Committee are as under:

- (a) Recommending remuneration payable to Managing Director and other Directors as and when necessity arises.
- (b) Reviewing sitting fees payable to Directors for attending Board Meetings, Committee Meetings etc.

Details of remuneration paid to Managing Director and Executive Director are given in Schedule:24

All the non-executive Directors are paid a sitting fee of Rs. 2,000/- for each Board Meeting attended by them.

The Members of Audit Committee are also paid a sitting fee of Rs. 2,000/- for each Committee Meeting attended by them.

DETAILS OF SHAREHOLDING OF NON-EXECUTIVE DIRECTORS AS ON 31.03.2009

Name of the Director	No. of shares held
Dr S V Balasubramaniam	1,253
Sri S V Alagappan	2,502
Dr S V Kandasami	1,252
Sri A Senthil	Nil
Sri V Venkata Reddy	Nil
Sri K N V Ramani	Nil
Sri C S K Prabhu	Nil
Dr K R Thillainathan	Nil
Sri S Palaniswami	74
Sri K Sadhasivam	Nil



INVESTOR'S GRIEVANCE COMMITTEE

The Investor's Grievance Committee was formed to specifically look into shareholders/investors complaints, if any, on transfer of shares, non-receipt of Balance Sheet, non-receipt of declared dividend, etc., and also the action taken by the Company on those matters.

The Investor's Grievance Committee consists of:

Sri C S K Prabhu - Chairman

Sri S K Sundararaman - Member

Sri N Krishnaraj, Company Secretary is the Compliance Officer.

The Company received 21 complaints from the shareholders and 1 complaint was pending at the end of the financial year 2008 - 2009 rest were resolved to the satisfaction of the shareholders.

Shares issued pursuant to the Initial Public offer which remains unclaimed and are lying in the escrow account in terms of Clause 5A of Listing Agreement:

Unclaimed Shares	No. of Shareholders	No. of shares
Outstanding at the beginning of the year	29	1,560
Approached for transfer during the year	2	100
Transferred to the shareholder during the year	2	100
Balance at the end of the year	27	1,460

The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

CEO & CFO CERTIFICATION

The Managing Director and General Manager - Accounts (Head of finance function) have furnished a certificate relating to financial statements and internal controls and systems to the Board of Directors as prescribed under Clause 49 of the listing agreement and Board took the same on record.

INSIDER TRADING

In compliance with SEBI Regulations for prevention of insider trading the company has framed a comprehensive Code of Conduct for its management staff. The Code lays down guidelines and procedures to be followed and disclosures to be made by the management staff while dealing with the shares of the company.

GENERAL BODY MEETING

Location and time where last three Annual General Meetings were held:

AGM	Date	Venue	Time
16 th	21.08.2006	Nani Kalai Arangam, Mani Higher Secondary School, Pappanaickenpalayam, Coimbatore 641037	5.00 PM
17 th	24.09.2007	Nani Kalai Arangam, Mani Higher Secondary School, Pappanaickenpalayam, Coimbatore 641037	4.00 PM
18 th	29.09.2008	Nani Kalai Arangam, Mani Higher Secondary School, Pappanaickenpalayam, Coimbatore 641037	10.15 AM

Disclosures

- i) None of the transactions with related parties during the year 2008-2009 were in conflict with the interest of the company.
- ii) There was no instance of non-compliance of any matter related to the capital markets during the last 3 years.

MEANS OF COMMUNICATION

- i) The quarterly/half-yearly/annual financial results of the Company are announced within the stipulated period and are normally published in English and Tamil newspapers.
- ii) The Management Discussion and Analysis forms part of the Annual Report, which is posted to the shareholders of the company.

SHAREHOLDERS' INFORMATION

Annual General Meeting

Day and Date	:	Wednesday and 23.09.2009
Time	:	10.00 AM
Venue	:	Nani Kalai Arangam Mani Higher Secondary School Pappanaickenpalayam Coimbatore 641037

FINANCIAL CALENDAR

Results Announced	:	30.06.2009
Posting of Annual Report	:	On or before 23.08.2009
Last date of receipt of Proxy forms	:	21.03.2009
Dividend payment date	:	On or before 22.10.2009
Announcement of quarterly Results	:	During third/fourth week of July and October 2009: January and April 2010

Date of Book Closure for the purpose of Dividend and Annual General Meeting

17.09.2009 to 23.09.2009 (both days inclusive)



Share Price Movement

The high and low quotations of the company’s shares on the National Stock Exchange of India Limited (Designated Stock Exchange) together with Nifty from April 2008 to March 2009 were:

MONTH	SHARE PRICE AT NSE		NIFTY - INDEX	
	High(Rs. Ps.)	Low(Rs. Ps.)	High	Low
April 2008	103.80	75.00	5230.75	4628.75
May	110.00	84.05	5298.85	4801.90
June	99.00	70.25	4908.80	4021.70
July	77.00	55.20	4539.45	3790.20
August	74.00	55.00	4649.85	4201.85
September	79.60	47.55	4558.00	3715.05
October	60.00	29.05	4000.50	2252.75
November	44.00	30.30	3240.55	2502.90
December	42.80	29.10	3110.45	2570.70
January 2009	44.90	26.10	3147.20	2661.65
February	33.90	23.00	2969.75	2677.55
March	34.50	25.00	3123.35	2539.45

Based on the closing quotation of Rs. 30.10 as at 31.03.2009 at NSE Mumbai, the market capitalization of the company was Rs.47.42 Crores

SHARE DETAILS

The Company’s Equity Shares are listed on the following Stock Exchanges:

Exchange	Stock Code	Exchange	Stock Code
Bombay Stock Exchange Limited	532674	National Stock Exchange of India Limited	BASML
Phiroze Jeejeebhoy Towers		“Exchange Plaza”, Bandra-Kurla Complex,	
Dalal Street, Mumbai 400 001		Bandra (E) Mumbai 400 051	

The company has paid Annual Listing Fees for the year 2009 - 2010

DEMATERIALISATION OF SHARES

The shares of the company are in compulsory demat segment. The company’s shares are available for trading in the depository systems of both the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL). Members have option to hold their shares in demat form (i.e electronic mode) either through the NSDL or CDSL. ISIN allotted to our company is INE186H01014.

SHARE TRANSFER AGENTS

Link Intime India Private Limited,

Surya, 35, Mayflower Avenue, Behind Senthil Nagar,
Sowripalayam Road, Coimbatore - 641 028.

Phone : (0422) 2314792, 2315792

Fax : (0422) 2314792

E-mail : coimbatore@linkintime.co.in

Share Transfer documents, Non Receipt of share certificates sent for transfer, nomination forms and change of address may directly be sent to the above address.



BANNARI AMMAN
Spinning Mills Ltd.

SHARE TRANSFER SYSTEM

The Share Transfers in physical form are registered and returned within 30 days from the date of receipt if the documents are in order. The share transfers are approved by the Share Transfer Committee which usually meets twice in a month, if needed.

SHAREHOLDING PATTERN AS ON 31.03.2009

CATEGORY	No of shares held	Percentage of shareholding
Promoter’s Holding	87,51,250	55.55
Banks/ FI’s / Mutual Funds	12,47,820	7.92
Private Corporate Bodies	11,12,871	7.06
Indian Public	45,23,197	28.71
NRI/OCBs	1,19,131	0.76
Total	1,57,54,269	100.00

PLANT LOCATIONS

Spinning Division		
NaduKandanur Pirivu, Morepatty Post, Vadamadurai, Dindigul 624 802. Tamilnadu		Velvarkottai, Dindigul Trichy National Highway 45 Vedasandur Taluk, Dindigul 624803. Tamilnadu
Weaving Division		Technical Textile Division
Karanampet - Paruvai Road, Paruvai Post, Coimbatore – 641 658 . Tamilnadu		Kovai – Sathy Main Road Kunnathur Village, Ganesapuram Post, S S Kulam (Via) Coimbatore 641 107. Tamilnadu
Wind Farms		
Idukandurai Village Dhanakarkulam Village, Radhapuram Taluk, Tirunelveli District, Tamilnadu	Chinnapudur village Dharapuram Taluk, Erode District Tamilnadu.	Melkaraipatti Village & Kottathurai Village Palani Taluk Dindigul Dist. Tamilnadu

ADDRESS FOR CORRESPONDENCE

All investor related queries and complaints may be sent to the following address:

The Company Secretary,

Bannari Amman Spinning Mills Limited, 252 Mettupalayam Road, Coimbatore - 641 043.

E-mail: shares@bannaritex.com

BY ORDER OF THE BOARD

Coimbatore
30th June 2009

S V BALASUBRAMANIAM
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS



MANAGEMENT DISCUSSION AND ANALYSIS

COMPANY'S BUSINESS

The Company has two spinning units near Dindigul with a capacity of 1,37,432 spindles, Weaving Division near Palladam with a capacity of 135 Looms, Processing & Technical Textiles near Annur with capacity to produce 24 Lakh meters of coated fabric per year and 27 windmills with capacity to produce 23.4 MW of Power.

INDUSTRY STRUCTURE AND DEVELOPMENTS

Textile industry is one of the largest industry in the country and continuously contributing to growth of the economy, industrial production, employment generation and foreign exchange earnings in a significant manner. The industry has undergone drastic changes over the decade, particularly after the removal of quotas in foreign trade and introduction of TUF scheme by the Government of India and majority of the textile units have modernized /renovated their Plant and Machinery in order to improve quality outputs and meet the global standards.

The Textile Industry in India is extremely complex and varied with the hand-spun and hand woven sectors at one end of the spectrum and the capital intensive sophisticated mill sector at the other, with the decentralized powerloom and knitting sectors coming in between.

Our Company continues to do well in export of cotton yarn to countries like Turkey, Egypt, Korea, Honkong, Singapore and Poland among others. Our yarn has got recognition in the International market due to strict adherence to delivery schedules and maintaining consistent quality.

OPPORTUNITIES, RISKS & CONCERNS

Always there is a demand and growth in market for quality textile products across the globe. Scope for selling Organic Cotton products, Technical textiles and non-woven fabric ranges is very wide. Competition from China, Thailand and other countries, fluctuation in cotton prices/power supply etc., are real threats to the industry.

The Textile industry continue to suffer due to high cotton prices, disturbed power supply, shortage of labour, etc., The prices of steel, cement, petroleum products and other industrial inputs continue to rise, escalating the project costs. The raising cost of finance may impact bottom line.

The primary raw material for the manufacture of yarn is Cotton with a share of about 60 percent of raw materials consumed. Cotton being an agriculture produce and its supply and quality are subject to the forces of nature. Any shortage or interruption in the domestic supply could result in increased costs and impact the operations.

SEGMENT-WISE AND PRODUCT-WISE PERFORMANCE

The entire operations of the Company relate to only one segment viz Textiles. Therefore, segment/product-wise details are not applicable.

OUTLOOK

OUTLOOK

With consistent modernisation and expansion with machinery of latest technology, it is expected that the Company will be able to improve efficiency and successfully face global competition and will be one of the leading players in the domestic as well as international markets.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The areas of operations have been segregated into purchase, production, marketing and finance. In the functioning of these areas, various checks and system controls have been introduced. The checks and controls are reviewed by the Audit Committee for improvement in each of these areas on regular basis. The checks and controls in all these areas of operations are considered adequate.

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The financial performance of the Company has been discussed at length in Directors' Report to the members.

BY ORDER OF THE BOARD

Coimbatore
30th June 2009

S V BALASUBRAMANIAM
Chairman

~~DECLARATION ON CODE OF CONDUCT~~

To
The Members of
Bannari Amman Spinning Mills Limited

In compliance with the requirements of clause 49 of the listing agreement with the stock exchanges, I declare that the Board of Directors and members of senior management have affirmed the compliance with the code of conduct during the financial year ended 31.03.2009

Place : Coimbatore
Date : 30th June 2009

S V ARUMUGAM
Managing Director



BANNARI AMMAN
Spinning Mills Ltd.

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE :

To The Members of Bannari Amman Spinning Mills Limited,

We have examined the compliance of conditions of Corporate Governance by Bannari Amman Spinning Mills Limited for the year ended on 31st March 2009, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

For **P N RAGAVENDRA RAO & Co.**
Chartered Accountants

Coimbatore
30th June 2009

P R VITTEL
Partner
M.No.200/18111

AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the attached Balance Sheet of M/s. Bannari Amman Spinning Mills Limited as at 31.03.2009, the Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

- I. As required by the Companies (Auditor's Report) Order 2003 issued by the Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we furnish below a statement on the matters specified in paragraphs 4 and 5 of the said Order.
 1. In respect of its fixed assets:
 - a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
 - b. As explained to us, the fixed assets have been physically verified by the management during the year in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - c. The Company has not disposed off substantial part of fixed assets during the year.

2. In respect of its inventories:
 - a. As explained to us, inventories have been physically verified by the management at reasonable intervals during the year.
 - b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c. The Company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventory as compared to the book records.
3. The company has not granted/taken any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and also for the sale of goods and services. During the course of our audit, we have not observed any major weaknesses in internal controls.
5.
 - a. In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that Section: and
 - b. In our opinion and according to the information and explanations furnished to us, the transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public.
7. In our opinion, the internal audit system of the Company is commensurate with its size and nature of its business.
8. The Central Government has prescribed maintenance of Cost Records under Section 209 (1) (d) of the Companies Act, 1956 in respect of certain manufacturing activities of the Company. We have broadly reviewed the accounts and records of the Company in this connection and are of the opinion, that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
9. In respect of statutory dues:
 - a. According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth tax, Service tax, Customs Duty, Excise Duty, Cess and other statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2009 for a period of more than six months from the date of becoming payable.
 - b. According to the information and explanations given to us, there are no dues of sales tax, Income tax, wealth tax and cess which have not been deposited on account of any dispute.
10. The Company has no accumulated losses and has not incurred any cash losses during the financial year covered by our audit or in the immediately preceding financial year.
11. Based on our audit procedures and according to the information and explanation given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions or banks.
12. In our opinion and according to the information and explanation given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, clause 4(xiii) of the Companies (Auditor's Report) Order 2003 is not applicable to the Company.



14. The company is not dealing or trading in shares, securities, debentures and other investments.
 15. According to information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions.
 16. To the best of our knowledge and belief and according to the information and explanations given to us, term loans availed by the Company were prima facie, applied by the Company during the year for the purpose for which the loans were obtained.
 17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that the Company has not utilised short-term funds for long-term investments.
 18. During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
 19. The Company has not issued debentures during the year.
 20. The Company has not raised any money by way of public issue during the year.
 21. In our opinion and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year that causes the financial statements to be materially misstated.
- II. Further to the above, we report that:
- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account, as required by law, have been kept by the Company, so far as appears from our examination of those books;
 - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the mandatory Accounting Standards referred in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - e) In our opinion, and based on information and explanations given to us, none of the directors are disqualified as on 31st March, 2009 from being appointed as directors in terms of clause (g) of sub-Section (1) of section 274 of the Companies Act, 1956;
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Significant Accounting Policies and other notes thereon give the information required by the Companies Act, 1956, in the manner so required, and present a true and fair view, in conformity with the accounting principles generally accepted in India:
 - i) In so far as it relates to Balance Sheet, of the state of affairs of the Company as at 31st March, 2009;
 - ii) In so far as it relates to the Profit and Loss Account, of the Profit of the Company for the year ended on that date: and
 - iii) In so far as it relates to the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For **P N Raghavendra Rao & Co.**
Chartered Accountants

Coimbatore
30th June 2009

P R VITTEL
Partner
Membership No. 200 / 18111



BANNARI AMMAN
Spinning Mills Ltd.

BALANCE SHEET AS AT 31.03.2009

Particulars	Schedule No	As at 31.03.2009	As at 31.03.2008
SOURCES OF FUNDS :			
A. Shareholders Fund			
Share Capital	1	15,75,42,690	15,75,42,690
Reserves & Surplus	2	1,44,54,79,359	1,46,57,28,261
B. Loan Funds			
Secured Loans	3	4,11,93,34,937	3,89,46,58,890
Unsecured Loans	4	7,31,43,648	19,17,02,831
C. Deferred Tax		29,59,48,220	28,09,57,887
TOTAL		6,09,14,48,854	5,99,05,90,559
APPLICATION OF FUNDS :			
A. Fixed Assets			
Gross Block	5	5,26,50,06,967	4,44,08,17,509
Less : Depreciation		69,35,87,847	47,72,70,103
		4,57,14,19,120	3,96,35,47,406
Add : Capital Work-in-progress		3,92,40,224	15,39,69,567
Net Fixed Assets (A)		4,61,06,59,344	4,11,75,16,973
Foreign Currency Monetary Item Translation Reserve A/c		5,99,62,907	-
B. Investment (B)	6	8,01,43,245	6,01,43,245
C. Current Assets, Loans and Advances			
I. CURRENT ASSETS			
Inventories	7	1,00,91,08,925	98,42,35,623
Sundry Debtors	8	19,63,58,919	13,42,97,790
Cash & bank balances	9	3,91,18,306	18,69,91,484
Other Current Assets	10	17,70,95,446	21,81,68,707
ii. LOANS & ADVANCES	11	35,17,17,157	40,87,08,253
		1,77,33,98,753	1,93,24,01,857
Less : Current Liabilities & Provisions	12	43,27,15,395	20,19,32,681
		1,34,06,83,358	1,73,04,69,176
D. Miscellaneous Expenditure		8,23,01,145	8,24,61,165
(To the extent not written off or adjusted)			
Less : Written off against share premium expenses		8,23,01,145	-
		0	8,24,61,165
TOTAL		6,09,14,48,854	5,99,05,90,559

Schedules 1 to 12 and Notes in Schedule 24 from part of this Balance Sheet
Vide our report annexed

For P N RAGHAVENDRA RAO & CO.
Chartered Accountants

S V BALASUBRAMANIAM
Chairman

S V ALAGAPPAN
Vice Chairman

P R VITTEL
Partner
Membership No. 200 / 18111
Coimbatore

S V ARUMUGAM
Managing Director

N KRISHNARAJ
Company Secretary



BANNARI AMMAN
Spinning Mills Ltd.

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2009

Particulars	Schedule No	Period Ended 31.03.2009	Period Ended 31.03.2008
INCOME			
Sales	13	2,86,82,75,744	1,96,49,86,057
Other Income	14	97,03,565	1,98,71,576
Stock Adjustment	23	4,12,64,714	9,58,05,018
TOTAL		2,91,92,44,023	2,08,06,62,651
EXPENDITURE			
Raw Materials Consumed	15	1,88,51,79,428	1,30,04,90,822
Traded Goods Purchased		8,48,34,722	66,73,313
Power & Fuel	16	18,40,54,838	16,04,41,708
Employees Cost	17	9,29,06,138	5,24,58,340
Excise Duty paid		-	143
Rent paid		21,37,003	13,29,363
Rates & Taxes	18	52,87,733	43,10,977
Insurance		82,10,615	61,15,313
Repairs & Maintenance	19	4,73,72,712	3,47,44,503
Administration Expenses	20	3,24,74,497	2,03,48,754
Remuneration to Managerial Personnel		75,33,137	47,32,855
Packing Material Consumed		4,38,53,702	3,49,37,261
Interest Cost	21	14,79,69,443	8,48,22,208
Selling & Distribution Charges	22	6,35,01,411	5,70,18,333
Depreciation		21,80,84,360	14,93,26,340
TOTAL		2,82,33,99,739	1,91,77,50,233
PROFIT BEFORE TAX		9,58,44,284	16,29,12,419
Less :Income Tax - Previous years		-	7,62,807
Income Tax - Current year		1,02,91,822	1,78,90,656
MAT Credit Entitlement		(1,02,91,822)	(1,78,90,656)
Fringe Benefit Tax		3,70,000	3,92,253
Deferred Tax		1,49,90,333	5,12,25,654
Transfer from General reserve		-	9,82,40,699
Less: Deferred Tax - Previous years		-	(9,82,40,699)
PROFIT AFTER TAX		8,04,83,951	11,05,31,705
Surplus brought forward from previous year		2,38,72,794	2,52,04,504
Amount available for Appropriation		10,43,56,745	13,57,36,209
APPROPRIATIONS			
Equity Dividend		1,57,54,269	3,15,08,538
Tax on Corporate Dividend		26,77,438	53,54,876
Transfer to General Reserve		75,00,000	7,50,00,000
Balance carried over to Balance Sheet		7,84,25,038	2,38,72,795
		10,43,56,745	13,57,36,209
Basic and diluted earnings per share		5.11	7.02

Schedules 13 to 23 and Notes in Schedule 24 from part of this Profit and Loss Account
Vide our report annexed

For P N RAGHAVENDRA RAO & CO.
Chartered Accountants

S V BALASUBRAMANIAM
Chairman

S V ALAGAPPAN
Vice Chairman

P R VITTEL
Partner
Membership No. 200 / 18111
Coimbatore

S V ARUMUGAM
Managing Director

N KRISHNARAJ
Company Secretary

SCHEDULES

	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
SCHEDULE 1 SHARE CAPITAL AUTHORISED		
16000000 Equity Shares of Rs.10/- each	16,00,00,000	16,00,00,000
50000 Cummulative Preference Shares of Rs.100/- each	50,00,000	50,00,000
	16,50,00,000	16,50,00,000
ISSUED, SUBSCRIBED & PAID UP		
15754269 Equity Shares @ Rs.10/- Each	15,75,42,690	15,75,42,690
(Of the above 5250750 Equity shares of Rs.10/- each have been issued as fully paid up Bonus shares by capitalisation of reserves)	-	-
Total	15,75,42,690	15,75,42,690
SCHEDULE 2 General Reserve		
As per last Balance Sheet	56,64,78,091	58,97,18,790
Less : Transferred to Profit & Loss Account	-	9,82,40,699
Add : Transferred from Profit & Loss Account	75,00,000	7,50,00,000
General Reserve	57,39,78,091	56,64,78,091
Share Premium Account	87,53,77,375	87,53,77,375
Less : Applied for writing off share issue expenses	8,23,01,145	-
	79,30,76,230	87,53,77,375
Surplus in Profit and Loss Account	7,84,25,038	2,38,72,795
Total	1,44,54,79,359	1,46,57,28,261
SCHEDULE 3 SECURED LOANS		
From Banks	-	-
Term Loans	3,63,45,17,527	3,21,68,43,055
Cash Credit Loans/Short Term Loan	48,31,52,412	38,94,14,616
Packing Credit	16,64,998	28,84,01,219
Total	4,11,93,34,937	3,89,46,58,890
SCHEDULE 4 UNSECURED LOANS		
HDFC Bank Ltd	-	10,00,00,000
Tamilnadu Govt-Interest Free Sales Tax Loan	7,31,43,648	9,17,02,831
Total	7,31,43,648	19,17,02,831



SCHEDULE 5 FIXED ASSETS												(In Rupees)	
S.NO	PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK					
		As at 01.04.2008	ADDITIONS	DELETIONS	As at 31.03.2009	Upto 31.03.2008	FOR THE YEAR	WITHDRAWN	Upto 31.03.2009	As at 31.03.2009	As at 31.03.2008		
1	Land & Site Development	4,46,17,831	92,03,930	-	5,38,21,761	-	-	-	-	5,38,21,761	4,46,17,831		
2	Building	83,69,12,874	19,41,46,087	-	1,03,10,58,961	6,20,86,931	2,69,78,332	-	8,90,65,263	94,19,93,698	77,48,25,943		
3	Plant & Machinery	3,54,39,92,944	61,65,98,767	22,02,381	4,15,83,89,330	41,05,72,465	18,91,33,072	17,66,617	59,79,38,920	3,56,04,50,410	3,13,34,20,479		
4	Office Equipment	49,23,389	38,37,518	-	87,60,907	16,51,620	8,31,941	-	24,83,561	62,77,346	32,71,770		
5	Furniture & fitting	31,43,348	20,54,141	-	51,97,489	12,41,649	3,59,089	-	16,00,738	35,96,751	19,01,698		
6	Vehicle	69,68,093	5,44,761	-	75,12,854	16,71,037	7,63,839	-	24,34,876	50,77,978	52,97,056		
7	Tools & Implements	2,59,030	6,635	-	2,65,665	46,401	18,087	-	64,488	2,01,177	2,12,629		
Total (A)		4,44,08,17,509	82,63,91,839	22,02,381	5,26,50,06,967	47,72,70,103	21,80,84,360	17,66,617	69,35,87,847	4,57,14,19,120	3,96,35,47,406		
Capital Work in Process													
1	Buildings	4,88,76,104	14,33,20,108	19,21,96,212	-	-	-	-	-	-	4,88,76,104		
2	Plant & Machinery	10,50,93,463	15,21,77,437	21,80,30,674	3,92,40,224	-	-	-	-	3,92,40,224	10,50,93,463		
Total (B)		15,39,69,567	29,54,97,545	41,02,26,886	3,92,40,224	-	-	-	-	3,92,40,224	15,39,69,567		
Total for the year		4,59,47,87,076	1,12,18,89,384	41,24,29,267	5,30,42,47,192	47,72,70,103	21,80,84,360	17,66,617	69,35,87,847	4,61,06,59,344	4,11,75,16,973		
Previous Year		3,34,38,85,295	3,17,03,92,291	1,91,94,90,508	4,59,47,87,076	31,92,55,007	15,80,15,096	-	47,72,70,103	4,11,75,16,973	3,02,46,30,288		

	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
SCHEDULE 6		
INVESTMENTS : (AT COST)		
Non Trade - Unquoted		
a. Investment in Govt Securities		
National Savings Certificate	3,000	3,000
	3,000	3,000
Trade - Quoted		
b. Investment in Shares		
4600 Equity Shares of Rs.10/- each in Bannari Amman Sugars Ltd fully paid	5,78,394	5,78,394
3317950 Equity Shares of Rs.10/- each in Shiva Texyarn Limited fully paid	1,99,59,451	1,99,59,451
	2,05,37,845	2,05,37,845
Trade - Unquoted		
96096 Preference Shares of Rs.100/- each in Anamallais Agencies Private Limited Fully paid	24,02,400	24,02,400
150000 Equity Shares of Rs.10/- each in Bannari Info Tech Private Limited fully paid	15,00,000	15,00,000
18333 Equity Shares of Rs.10/- each in Bannari Amman Flour Mill Ltd Fully Paid	55,00,000	55,00,000
20000 Equity Shares of Rs.10/- each in SIMA Textile Processing Ltd	2,00,000	2,00,000
3000000 Equity Shares of Rs.10/- each in Bannari Amman Apparel Private Limited	5,00,00,000	3,00,00,000
	5,96,02,400	3,96,02,400
Total	8,01,43,245	6,01,43,245
INVENTORIES : (AS CERTIFIED BY MANAGING DIRECTOR)		
Stock of stores & spares/Building Materials	1,54,30,451	1,84,95,033
Stock in trade :		
Raw Materials - Cotton	74,52,64,041	75,51,08,323
Raw Materials - Yarn	2,22,92,921	2,85,36,446
Raw Materials - Tow	48,62,722	8,37,346
Raw Materials - Base Fabric	10,49,052	11,95,787
Finished goods - Yarn / Fabric	8,25,81,208	10,01,89,916
Finished goods - Fabric	8,75,06,196	3,69,32,315
Process stock	4,34,57,610	3,55,19,947
Waste Cotton Stock	66,64,724	74,20,510
Total	1,00,91,08,925	98,42,35,623



	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
SCHEDULE 8		
SUNDRY DEBTORS (UNSECURED CONSIDERED GOOD)		
More than six months	90,55,045	47,64,503
Other debts	18,73,03,874	12,95,33,287
Total	19,63,58,919	13,42,97,790
SCHEDULE 9		
Cash & Bank balances		
Cash on hand	48,06,534	70,30,359
In Current A/c with Scheduled Banks	3,30,14,629	12,97,18,355
In Deposit A/c with Scheduled Banks	12,97,143	5,02,42,500
Postal Stamps on hand	-	270
Total	3,91,18,306	18,69,91,484
SCHEDULE 10		
OTHER CURRENT ASSETS		
Accrued Income	35,49,585	93,56,206
Receivables	17,35,45,861	20,88,12,501
Total	17,70,95,446	21,81,68,707
SCHEDULE 11		
LOANS & ADVANCES		
(UNSECURED CONSIDERED GOOD, RECOVERABLE IN CASH OR KIND)		
Advances towards capital expenditure	3,19,22,052	23,28,10,676
Advance towards expenses/purchases	13,69,42,078	78,30,087
MAT Credit Entitlement	2,81,82,478	1,78,90,656
Other advances/Loans	4,28,52,929	4,00,26,173
T N E B Deposit	5,05,89,945	2,22,27,350
Sundry Deposit	6,81,644	1,23,92,099
Advance Income tax and TDS	4,95,43,663	6,66,07,373
Prepaid Expenses	1,10,02,368	89,23,839
Total	35,17,17,157	40,87,08,253
SCHEDULE 12		
CURRENT LIABILITIES & PROVISIONS		
A. CURRENT LIABILITIES		
Liability for Purchase/Expenses	31,31,13,622	9,76,68,250
Liability for Capital Expenditure	4,96,66,654	1,07,26,227
Other Liabilities	90,21,358	30,54,253
Advance from customers	85,65,637	10,33,554
Interest accrued but not due	2,11,06,469	2,01,04,074
B. PROVISIONS		
Provision for Proposed Dividend	1,57,54,269	3,15,08,538
Provision for Corporate Tax on proposed Dividend	26,77,438	53,54,876
Provision for Taxation	1,28,09,948	3,24,82,909
Total	43,27,15,395	20,19,32,681

	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
SCHEDULE 13		
SALES		
Yarn	2,19,99,26,764	1,59,53,97,120
Fabric	41,16,39,448	17,52,82,434
Cotton Waste	21,53,09,221	13,65,36,162
Conversion/Printing Charges	70,04,861	7,26,865
Flock Powder	23,98,770	-
Own Consumption - Yarn	-	40,94,587
Income from Windmill	-	1,98,91,340
Miscellaneous Operational Receipts	2,63,46,859	3,30,57,549
Claim for Breach of Contract	56,49,821	-
Total	2,86,82,75,744	1,96,49,86,057
SCHEDULE 14		
OTHER INCOME		
Interest Receipt (TDS on above Rs. 7,71,715/-) (31.03.08 - 32,68,722/-)	45,55,031	1,48,64,201
Dividend Receipts from long term investments	50,07,375	50,07,375
Profit on sale of Assets	1,41,159	-
Total	97,03,565	1,98,71,576
SCHEDULE 15		
RAW MATERIALS CONSUMED		
Opening Stock - Cotton	75,51,08,323	47,96,72,774
Opening Stock - Yarn	2,79,62,756	1,82,35,337
Opening Stock - Tow	8,37,346	-
Opening Stock - Base Fabric	23,13,450	-
Opening Stock - Dyes & Chemicals	17,54,940	-
Purchases - Cotton	1,48,74,89,354	1,34,10,73,316
Purchases - Yarn	16,42,03,836	14,60,32,094
Purchases - Tow	2,53,59,706	-
Purchases - Base Fabric	1,86,80,629	-
Purchases - Dyes & Chemicals	3,14,39,432	-
Freight on cotton	12,30,82,201	8,49,54,875
Sizing Charges/Processing Charges	2,42,07,111	1,41,67,195
	2,66,24,39,084	2,08,41,35,591
Less : Closing Stock - Cotton	74,52,64,041	75,51,08,323
Less : Closing Stock - Yarn	2,17,19,230	2,85,36,446
Less : Closing Stock - Tow	48,62,722	-
Less : Closing Stock - Base Fabrics	10,49,053	-
Less : Closing Stock - Dyes & Chemicals	43,64,610	-
Total	1,88,51,79,428	1,30,04,90,822



	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
SCHEDULE 16		
POWER & FUEL CONSUMED		
Power Charges	15,61,56,239	13,87,63,427
Fuel for Generator	2,78,98,599	2,16,78,281
Total	18,40,54,838	16,04,41,708
SCHEDULE 17		
EMPLOYEE COST		
Salaries, wages, Bonus & Gratuity	7,00,15,833	4,07,91,802
Employer Contribution to PF/EPS	40,76,949	18,95,058
Staff/workmen welfare expenses	1,88,13,356	97,71,479
Total	9,29,06,138	5,24,58,340
SCHEDULE 18		
RATES & TAXES		
Licence fee	2,01,316	1,03,827
Other Rates & Taxes	50,86,417	42,07,150
Total	52,87,733	43,10,977
SCHEDULE 19		
REPAIRS & MAINTENANCE		
Building Maintenance	29,35,866	25,34,361
Machinery Maintenance	3,58,10,465	2,84,45,983
Electrical Maintenance	68,12,802	22,90,532
Vehicle Maintenance	18,13,579	14,73,627
Total	4,73,72,712	3,47,44,503
SCHEDULE 20		
ADMINISTRATION & OTHER EXPENDITURE		
Legal Fees	17,83,888	5,95,756
Consultants Charges	4,87,076	26,09,689
Printing & Stationery	20,63,743	16,70,303
Postage & Telegrams	12,88,591	11,58,033
Books & Periodicals	1,38,911	1,10,669
Telephone Charges	11,10,864	7,78,685
Hank Yarn Obligation	3,81,361	1,35,739
Advertisement/Donation	20,39,893	22,98,245
Directors Sitting Fees	86,000	72,000
Travelling Expenses	55,01,980	41,45,120
Auditors Remuneration	7,20,642	4,96,797

	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
SCHEDULE 20 (Cont...)		
Exchange rate fluctuation	56,08,889	-
Security Service Charges	18,30,913	66,461
Transport on Materials	54,53,706	25,51,885
General Maintenance	28,51,572	27,06,337
General Charges	11,26,468	9,53,035
Total	3,24,74,497	2,03,48,754
SCHEDULE 21		
INTEREST COST		
Interest on Fixed Loans	10,18,39,831	1,48,29,813
Other Interest and Financial Charges	4,20,43,030	6,10,10,268
Bank Charges	40,86,582	89,82,127
Total	14,79,69,443	8,48,22,208
SCHEDULE 22		
Selling & Distribution Expenses		
Brokerage/Commission/Trade Discount	3,58,86,779	3,63,31,857
Bad Debts Written off	7,82,691	-
Sales office expenses	49,00,562	-
Transport Charges on Yarn	2,19,34,643	2,06,99,468
Cess Paid (Net)	(3,264)	(12,992)
Total	6,35,01,411	5,70,18,333
SCHEDULE 23		
Stock Adjustment		
a. Opening Stock		
Stock in process	3,77,45,719	1,61,98,691
Cotton Waste	74,20,510	7,76,575
Finished goods - Fabric	3,07,14,976	-
Finished goods - Yarn	10,05,29,382	5,65,47,539
Total	17,64,10,587	7,35,22,805
b. Closing Stock		
Stock in process	4,97,94,075	3,35,41,372
Cotton Waste	66,64,724	74,20,510
Finished goods - Yarn	8,25,81,208	10,01,89,916
Finished goods - Fabric	7,86,35,294	2,81,76,025
Total	21,76,75,301	16,93,27,823
INCREASE IN STOCK (a-b)	4,12,64,714	9,58,05,018



SCHEDULE 24

NOTES ATTACHED TO AND FORMING PART OF THE ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

I. Significant accounting policies

- i. Revenue Recognition: All income and expenses are accounted on accrual basis.
- ii. Investments: Investments are accounted at cost and are treated as long-term investments. The diminution in the market value of investment is recognized when diminution is considered permanent.
- iii. Valuation of Inventory.

Raw materials and stores & spares: At cost determined on weighted average cost basis or net realizable value, whichever is lower.

Finished goods and waste cotton: At cost or net realizable value, whichever is lower. The cost has been measured on the weighted average cost basis and includes cost of purchase, cost of conversion and other costs incurred in bringing the inventory to their present location and condition.

Stock in Process: At estimated weighted average cost basis
- iv. The Fixed Assets are valued at historical cost. Cost includes related taxes, duties, freight, insurance etc., attributable to acquisition and installation of assets and borrowing cost incurred up to the date of commencing operations, but excludes duties and taxes that are recoverable from taxing authorities. The Fixed assets shown in the books are not revalued.
- v. The Company has provided depreciation on straight-line basis in respect of fixed assets at the rates prescribed in Schedule XIV to the Companies Act, 1956. For assets costing Rs. 5000/- or less, 100% depreciation has been charged in the year of purchase of such assets; For other assets acquired during the year pro-rata charge has been made from the date of first use; In the year of disposal of assets, depreciation is charged up to the date of disposal.
- vi. The Foreign Currency transactions are recorded at the exchange rate prevailing on the date of the transaction. Foreign currency monetary items as at the Balance Sheet date are reported at the closing rate or at the rate at which it is likely to be realized from or required to be disbursed. The foreign currency exchange difference arising on foreign currency term loan as at 31.3.2009 are accumulated in "Foreign Currency Monetary item Translation difference account" as per notification G.S.R.225(E) of the Ministry of Corporate Affairs, Government of India dated 31.3.2009.
- vii. The Company has opted for Life Insurance Corporation Employees Group Gratuity Scheme to cover its gratuity liability. Contribution paid/payable by the company to LIC of India is charged to revenue on the basis of actuarial valuation towards demand worked out by LIC.

Provident fund/pension fund and gratuity liability are Defined Contribution Schemes and contributions are charged to Profit and Loss Account of the year in which the contribution to the respective funds are due.

Short term employee benefits including compensated absences are provided for based on the expected obligation on an undiscounted basis as per Accounting Standard 15 (Revised).
- viii. Borrowing costs attributable to the acquisition, construction and installation of qualifying capital assets are capitalized till the period before they are put into use.
- ix. Contingent liabilities are shown by way of notes attached to and forming part of the Balance Sheet
- x. Impairment loss of fixed assets is assessed as at the close of each financial year and appropriate provision, if required, is recognized in the accounts.

- xi. Current tax is determined at the current rates of income tax on taxable income and tax credits are computed in accordance with the provisions of the Income Tax Act, 1961. Fringe benefit tax provision is made in accordance with the provisions of the Income Tax Act, 1961
- xii. Deferred tax is recognized on timing difference between the accounting income and the taxable income for the year and quantified using the rates and tax laws that prevail as at the balance sheet date. The deferred tax assets are recognized and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized.
- xiii. Government grants have been recognized based on the reasonable assurance that the Company will comply with the conditions attached to the grants and the grants will be received. Government grants relatable to borrowing cost have been reduced from the borrowing cost thereby reducing the cost of the asset. Government grants relatable to periods after the acquisition, construction and installation of qualifying assets are in the nature of revenue grants and have been recognized on a systematic basis in the profit and loss account.
- xiv. The Company has operated only one business segment which is textile segment and hence segment report is not furnished.
- xv. The Company's significant leasing arrangements are operating leases and cancelable in nature. The lease rentals paid/received under such agreements are accounted in the profit and loss account.

II. OTHER INFORMATIONS :

1. Secured Loans :

NAME OF THE BANKS	PARTICULARS OF LOAN	SECURITY
ICICI Bank Limited	Rupee Term Loan of Rs.1566 Lakhs under Technology Up-gradation Fund Scheme.	Hypothecation of the Plant & Machinery and first Mortgage of the immovable properties of the spinning mill both present and future at Vadamadurai Village, Veda sandhur Taluk, Dindigul District. These loans are further secured by guarantee extended by a body corporate. The aggregate amount of loans outstanding as on 31.03.2009 is Rs. NIL (31.03.2008 is Rs. 20.87 lakhs).
ICICI Bank Limited	Rupee Term Loan of Rs.1800 Lakhs under Technology Up-gradation Fund Scheme.	Hypothecation of specified movable properties including the machinery spares, tools and accessories of the spinning unit situated at Vadamadurai Village, Veda sandhur Taluk, Dindigul District. The loan has been further secured by the personal guarantee of Chairman, Vice Chairman and Managing Director of the Company. The aggregate amount of loan outstanding as on 31.03.2009 is Rs. 1237.50 Lakhs (31.03.2008 is Rs.1462.50 Lakhs).
Corporation Bank	Term loan of Rs.1792 Lakhs under Technology Up-gradation Fund Scheme.	Exclusive First charge on the Windmill- Unit I and all related equipments, systems and accessories. The loan has been further secured by the personal guarantee of Chairman, Vice Chairman and Managing Director of the Company. The aggregate amount of loan outstanding as on 31.03.2009 is Rs.1176.00 Lakhs (31.03.2008 is Rs.1400 Lakhs).



NAME OF THE BANKS	PARTICULARS OF LOAN	SECURITY
Oriental Bank of Commerce	Rupee Term Loan under Technology Up-gradation Fund Scheme – Rs.15000 Lakhs.	First charge by way of Equitable Mortgage over factory land and building and hypothecation of other movable assets financed by the bank for the new project ranking pari-passu with other banks. Second charge on the above fixed assets to be extended to the bankers who are extending working capital facilities to the company.The aggregate amount of loan outstanding as on 31.03.2009 is Rs. 14996 Lakhs (31.03.2008 – 14996 Lakhs).
Indian Overseas Bank	Rupee Term Loan under Technology Up-gradation Fund Scheme – Rs.10000 Lakhs.	First charge by way of Equitable Mortgage over factory land and building and hypothecation of other movable assets financed by the bank for the new project ranking pari-passu with other banks. Second charge on the above fixed assets to be extended to the bankers who are extending working capital facilities to the company. The aggregate amount of loan outstanding as on 31.03.2009 is Rs.5202.60 Lakhs (31.03.2008 – 5211.54 Lakhs).
Corporation Bank	Rupee Term Loan under Technology Up-gradation Fund Scheme – Rs.3000 Lakhs.	First charge by way of Equitable Mortgage over factory land and building and hypothecation of other movable assets financed by the bank for the new project ranking pari-passu with other banks. Second charge on the above fixed assets to be extended to the bankers who are extending working capital facilities to the company.The aggregate amount of loan outstanding as on 31.03.2009 is Rs.2961.27 Lakhs (31.03.2008 – 2861.27 Lakhs).
Bank of Maharashtra	Rupee Term Loan under Technology Up-gradation Fund Scheme - Rs.5000 Lakhs.	First charge by way of Equitable Mortgage over factory land and building and hypothecation of other movable assets financed by the bank for the new project ranking pari-passu with other banks. Second charge on the above fixed assets to be extended to the bankers who are extending working capital facilities to the company. The aggregate amount of loan outstanding as on 31.03.2009 is Rs. 3482.40 Lakhs (31.03.2008 – 2215.88 Lakhs).
Indian Overseas Bank	FCTL – Rupee Term Loan – Rs.4000 Lakhs	Exclusive first charge on Windmill Unit II assets situated at Chinnapudur Village, Erode District, Tamil Nadu.The aggregate amount of loan outstanding as on 31.03.2009 is Rs.4000 Lakhs (31.03.2008 – Rs.4000 Lakhs).
Indian Bank	Rupee Term Loan of Rs.2980 Lakhs	Exclusive first charge by way of mortgage and hypothecation on the windmill unit III assets being financed by the bank. The aggregate amount of loan outstanding as on 31.03.2009 is Rs.2979.91 Lakhs (31.03.2008 – Rs. NIL)

NAME OF THE BANKS	PARTICULARS OF LOAN	SECURITY
The Karur Vysya Bank Limited	Working Capital Limit Rs.750 Lakhs	Hypothecation of raw materials, stock in process, finished goods of the Spinning Unit I and a second charge on the fixed assets of the company's Spinning Unit I. The above Cash Credit Loan is further secured by personal guarantee of the Chairman, Vice Chairman and Managing Director of the Company. The aggregate amount outstanding as on 31.03.2009 is Rs.223.83 lakhs (31.03.2008 –Rs.630.33 Lakhs).
Corporation Bank	Working Capital Limit Rs.2750 Lakhs	Hypothecation of raw materials, stock in process, finished goods of the Spinning Unit I and a second charge on the fixed assets of the company's Spinning Unit I. The above Cash Credit Loan is further secured by personal guarantee of the Chairman, Vice Chairman and Managing Director of the Company. The aggregate amount outstanding as on 31.03.2009 is Rs.128.65 Lakhs (31.03.2008 – Rs. 889.97 Lakhs).
ICICI Bank Limited	Working Capital Limit Rs.1500 Lakhs	First charge by way hypothecation of raw materials, semi finished and finished goods, consumable stores and spares and other movable properties both present and future for limit up to Rs.500 Lakhs and the balance is secured by unconditional and irrevocable personal guarantee of a Director. The aggregate amount of the outstanding as on 31.03.2009 is Rs.NIL lakhs (31.03.2008 – Rs.260.62 Lakhs).
Oriental Bank of Commerce	Working Capital Limit of Rs.5000 Lakhs	Pari-pasu first charge on current assets of the company belonging to expansion project along with other banks who have extended working capital finance for expansion project under multiple banking arrangement.Pari-pasu second charge on the fixed assets of the company's expansion project along with other banks who have extended working capital finance for expansion project under multiple banking arrangements.The aggregate amount outstanding as on 31.03.2009 is Rs131.54 Lakhs (31.03.2008 – Rs.2574.28 Lakhs).
Indian Overseas Bank	Cash Credit Rs.5000 Lakhs	Pari-pasu first charge on current assets of the company belonging to expansion project along with other banks who have extended working capital finance for expansion project under multiple banking arrangement. Pari-pasu second charge on the fixed assets of the company's expansion project along with other banks who have extended working capital finance for expansion project under multiple banking arrangements.The aggregate amount outstanding as on 31.03.2009 is Rs.919.16 Lakhs (31.03.2008 – Rs.829.90 Lakhs).



NAME OF THE BANKS	PARTICULARS OF LOAN	SECURITY
Bank of Maharashtra	Cash Credit of Rs. 500 Lakhs	Pari-pasu first charge on current assets of the company belonging to expansion project along with other banks who have extended working capital finance for expansion project under multiple banking arrangement. The aggregate amount outstanding as on 31.03.2009 is Rs.287.06 Lakhs (31.03.2008 – Rs.0.74 Lakhs).

2. Government of Tamil Nadu Interest Free Sales Tax (IFST) Loan is repayable in monthly installments. The Sales Tax loan carries no interest. The balance outstanding is Rs.731.43 Lakhs (31.03.2008 – Rs. 917.03 Lakhs).
3. Share issue expenses has been written off against securities premium account under section 78 of the Companies Act, 1956.
4. The borrowing cost capitalized during the year is Rs.105.46 Lakhs (31.03.2008 - Rs. 279.61 Lakhs).
5. Details of remuneration and perquisites to Managing Personnel:
 - i. Calculation of Net Profit under Sec 309 of the Companies Act, 1956 for the purpose of payment of Commission to Managing Personnel:

Details	For the year ended 31 st March 2009	For the year ended 31 st March 2008
Net Profit as per Profit & Loss A/c	9,58,44,284	16,29,12,419
ADD: Commission to Managing Director (2%)	19,76,171	33,24,743
ADD: Commission to Executive Director (1%)	9,88,085	Nil
Profit as per Sec 309 of the Act	9,88,08,540	16,62,37,162
Commission to Managing Director	19,76,171	33,24,743
Commission to Executive Director	9,88,085	Nil

- ii. Particulars of Remuneration and perquisites to Managing Director

Details	For the year ended 31 st March 2009	For the year ended 31 st March 2008
Salary	24,00,000	9,00,000
Commission	19,76,171	33,24,743
P F Contribution	2,88,000	72,000
Perquisites	5,05,673	1,26,844
Total	51,69,844	44,23,587

- iii. Particulars of Remuneration and perquisites to Executive Director

Details	For the year ended 31 st March 2009	For the year ended 31 st March 2008
Salary	15,00,000	3,60,000
Commission	9,88,085	-
P F Contribution	1,80,000	43,200
Perquisites	1,63,208	21,268
Total	28,31,293	4,24,468

6. Details for Remuneration to Auditors paid/payable:

Details	For the year ended 31 st March 2009	For the year ended 31 st March 2008
Fee for audit work	1,75,000	1,50,000
Fee for Tax Audit/Taxation work	1,62,000	1,47,500
Fee for Certification/Others	1,47,160	1,49,000
Total	4,84,160	4,46,500

- 7 Estimated amount of contracts to be executed on the capital accounts and not provided for amounts to Rs. 2433.71 Lakhs (31.03.2008 – Rs.9580 Lakhs) approximately.
- 8 a) Aggregate value of unquoted Investments : Rs. 5,96,05,400/- (Rs.3,96,05,400/-)
b) Aggregate value of Quoted Investments : Rs.2,05,37,845/- (Rs.2,05,37,845/-)
c) Aggregate market value of Quoted Investments : Rs. 4,15,70,220/- (Rs. 9,17,49,032/-)
- 9 a) Information regarding the status of Creditors in respect of Small Scale Industries are not available.
b) The Company has not received any information from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures if any relating to amounts unpaid as at the year end together with interest paid / payable under this Act has not been given.
c) No amount is due for credit to Investor Education and Protection Fund.
10. The funds raised by way of Public Issue have been fully utilized for the purposes for which it was raised.
11. a) Amounts due from officers of the Company during the year is Rs.20,62,866/- (31.03.2008 - Rs.14,28,000/-).
b) Maximum amount due from officers during the year is Rs.25,58,239/- (31.03.2008 - Rs.14,74,786/-).
12. Figures are rounded off to the nearest rupee.
13. Previous year figures have been regrouped / reclassified wherever necessary.
14. Fringe Benefit Tax amounting to Rs.3,70,000/- (31.03.2008 – Rs.3,92,253/-) has been provided for.
15. Basic Earnings per Share:

Details	For the year ended 31 st March 2009	For the year ended 31 st March 2008
Profit for the year attributable to Equity Share holders (Rs.)	8,04,83,951	11,05,31,705
Weighted average number of Equity Shares.	1,57,54,269	1,57,54,269
Basic Earnings per share (Rs.)	5.11	7.02
Nominal Value of Share (Rs.)	10	10

16. Related Party Transactions:

- i. Related Party
- Shiva Distilleries Limited
 - Shiva Texyarn Limited
 - Bannari Amman Sugars Limited
 - Anamallais Automobiles Private Limited
 - Annamallai Infrastructures Limited



	Shiva Cargo Movers Limited Bannari Amman Apparel Private Limited Bannari Amman Flour Mill Limited Sakthi Murugan Transports Private Limited
Relationship	Enterprises in which the Key management Personnel or relatives have significant influence.
Key Management Personnel	Dr S V Balasubramaniam, Chairman Sri S V Alagappan, Vice Chairman Sri S V Arumugam, Managing Director Sri S K Sundararaman, Executive Director

ii. Related Party Transactions:

NATURE OF TRANSACTIONS	ENTERPRISES IN WHICH KEY MANAGEMENT PERSONNEL OR RELATIVE HAVE SIGNIFICANT INFLUENCE	OUTSTANDING AS ON 31.03.2009
Purchase of Yarn	Rs. 2,90,41,441/- (66,73,613)	NIL(31.03.2008-NIL)
Conversion Charges	Rs. 21,99,863/- (Nil)	
Rent Paid	Rs. 6,99,426/- (4,32,360)	
Sale of Asset	Rs. 5,76,923/- (Nil)	

iii. Remuneration to key management Personnel disclosed in schedule No. 24 in accounts read with Note No.5 in Notes on accounts.

17. Contingent Liability:

The Company has an obligation under the EPCG scheme to export yarn/fabric of a value of Rs.559 Crores over a period of 8 years from the financial year 2009-2010.

18. Lease Charges (Accounting Standard 19):

Details	For the year ended 31 st March 2009 (Rs.)	For the year ended 31 st March 2008 (Rs.)
for Office cum Guest house building	300,000	300,000
for Corporate Office Building	285,085	132,360
for Depot Office	102,000	102,000
for factory Building	792,307	616,000

19. The net deferred tax liabilities as at 31.03.2009 comprise the following as per the Accounting Standard 22.

Particulars	As at 31.03.2009(Rs.)	As at 31.03.2008 (Rs.)
Deferred Tax Liability on A/c of Depreciation	54,32,80,105	48,23,94,773
Deferred Tax Assets on A/c of Carried forward Loss	24,73,31,885	20,14,36,886
Net Deferred Tax Liability	29,59,48,220	28,09,57,887

20. The company has invested Rs.500 Lakhs (Rs.300 Lakhs) in the equity shares of Bannari Amman Apparel Private Limited (A Joint venture of the Company) as on 31.03.2009. The company has a further capital commitment of Rs.243.50 Lakhs towards purchase of shares of the Joint venture entity.

Details of interest in Joint Venture Company

Name of the Company	Country of Incorporation	Percentage of voting power held as on 31.3.2009	Percentage of voting power held as on 31.3.2008
Bannari Amman Apparel Private Limited	India	25	25

The proportionate interest of the Company in the Joint Venture entity as on 31.3.2009* is given under:

(Rs. in Lakhs)

Assets	Liabilities	Contingent Liabilities	Income	Expenditure
1,707.50	1,159.25	292	727.25	1,061.25

* based on un-audited accounts for the year ended 2008 - 09.

21. Details of Foreign currency Exposures

Particulars	Outstanding foreign currency exposures as at 31.3.2009	Outstanding derivative instruments	Exposures not covered by derivative instruments
Cotton Import	USD 35,20,819	USD 35,20,819	Nil
Machinery import	CHF 1,04,748	Nil	CHF 1,04,748
FCNR Loan	USD 92,76,433	USD 88,76,433	USD 4,00,000
Export sales	USD 7,98,857	USD 4,00,000	USD 3,98,857

All foreign exchange derivative transactions are for the purpose of hedging foreign exchange risk.

22. Defined contribution plan : Contribution made by the company to defined contribution plan which are recognized and charged to profit and loss account during the year are as under

Particulars	For the year 2008-09	For the year 2007-08
Provident Fund	10,40,847	8,43,462
Family Pension Fund	14,56,333	11,57,729
Employees State Insurance	5,87,141	Nil
Employees Group Gratuity	27,39,739	20,62,659

23. Additional information pursuant to Part II & IV of Schedule VI to Companies Act, 1956:

A. CAPACITY, PRODUCTION, STOCKS AND TURNOVER:

PRODUCT	INSTALLED CAPACITY	
	31.03.2009	31.03.2008
YARN	1,37,232 Spindles	1,37,232 Spindles
FABRIC	135 Looms	128 Looms
WIND ENERGY	23400 KW	16200 KW
PROCESSING	24,00,000 Mtrs per year	24,00,000 Mtrs per year



PRODUCT	YARN (Kgs)	COTTON WASTE (Kgs)	FABRIC (Mtrs)	WIND ENERGY (Units)	MADE UPS (Pcs)	COATED FABRIC (Pcs)	QUICK DRY (Mtrs)
Opening Stock	8,56,917 (3,30,779)	2,28,151 (33,159)	3,25,742 (97,275)	- (-)	5,163 (4,258)	64,210 (-)	1,787 (6,157)
Production	1,78,09,252 (1,45,18,032)	55,64,255 (44,97,280)	42,89,664 (14,96,672)	2,98,75,052 (3,21,63,881)	- (15,836)	11,52,877 (-)	58,333 (14,948)
Purchase	2,35,468 (1,11,673)	- (-)	1,79,026 (-)	- (-)	- (-)	- (-)	- (-)
External Sales	1,76,87,730 (1,41,03,567)	55,79,770 (43,02,288)	38,29,840 (12,68,205)	(-) (73,81,050)	- (14,931)	10,66,233 (-)	51,410 (19,318)
Inter unit transfer	5,54,964 (-)	- (-)	- (-)	2,98,75,052 (2,47,82,831)	- (-)	- (-)	- (-)
Sale Value (Rs.)	2,19,93,55,813 (1,59,52,61,523)	21,53,09,221 (13,65,36,162)	30,41,98,208 (16,10,48,762)	- (1,99,28,835)	- (98,24,728)	9,31,76,602 (-)	1,42,64,638 (44,08,944)
Closing Stock	6,58,943 (8,56,917)	2,12,636 (2,28,151)	9,64,591 (3,25,742)	- (-)	5,163 (5,163)	1,50,853 (-)	8709 (1,787)

B. RAW MATERIAL CONSUMED

	For the year ended 31.03.2009		For the year ended 31.03.2008	
PRODUCT	Quantity (Kgs.)	Value (Rs.)	Quantity (Kgs.)	Value(Rs.)
Cotton	2,34,60,880	1,62,19,12,838	1,93,45,536	1,15,05,92,642
Yarn (Purchased)	9,37,833	17,33,45,146	6,01,355	14,75,51,178
Yarn (Inter Division)	5,54,964	-	-	-
Nylon Tow	1,21,952	2,13,34,329	-	-

C. VALUE OF IMPORTED/INDIGENOUS MATERIALS CONSUMED

	For the year ended 31.03.2009		For the year ended 31.03.2008	
Raw Material	Value (Rs.)	%	Value (Rs.)	%
Cotton-Imported	21,97,47,105	13.55	4,66,49,651	4.05
Cotton-Indigenous	1,40,21,65,733	86.45	1,10,39,42,991	95.95
Yarn-Indigenous	17,33,45,146	100	14,75,51,178	100
Nylon Tow - Indigenous	2,13,34,329	100	-	100
Stores & Spares	-	-	-	-
Imported	78,51,812	7.26	72,93,647	20.34
Indigenous	10,03,21,564	92.74	2,85,66,483	79.66

D. IMPORTS - CIF VALUE, (In Rupees)

	FOR THE YEAR ENDED 31 ST MARCH 2009	FOR THE YEAR ENDED 31 ST MARCH 2008
Raw Materials	25,99,45,240	5,24,11,940
Capital Goods & Spares	6,64,82,607	28,86,61,554

E. EXPENDITURE IN FOREIGN CURRENCY (In Rupees)

	FOR THE YEAR ENDED 31 ST MARCH 2009	FOR THE YEAR ENDED 31 ST MARCH 2008
Royalty, Know how, Professional/ Consultation Fees, Interest & Others	Rs. 4,02,12,880	Rs. 69,78,497
Traveling Expenses	Rs. 7,90,277	Rs. 13,27,256

F. AMOUNT REMITTED IN FOREIGN CURRENCY (In Rupees)

	FOR THE YEAR ENDED 31 ST MARCH 2009	FOR THE YEAR ENDED 31 ST MARCH 2008
Amount remitted on account of Dividend	Rs. 2,34,402	Rs. 3,29,654
No. of Non-resident Shareholders	115	183
No. of shares held by them	1,17,201	1,64,827
Year to which the dividend related	2007-08	2006-07

G. EARNINGS IN FOREIGN EXCHANGE (In Rupees)

	FOR THE YEAR ENDED 31 ST MARCH 2009	FOR THE YEAR ENDED 31 ST MARCH 2008
Export of goods on FOB Basis	Rs. 48,06,90,917	Rs. 58,36,45,460

Signatures for Schedules 1 to 24 above.Vide our report annexed

For P N RAGHAVENDRA RAO & CO.
Chartered Accountants

S V BALASUBRAMANIAM
Chairman

S V ALAGAPPAN
Vice Chairman

P R VITTEL
Partner
Membership No. 200 / 18111
Coimbatore

S V ARUMUGAM
Managing Director

N KRISHNARAJ
Company Secretary



BANNARI AMMAN
Spinning Mills Ltd.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2009

(Rs. in Lakhs)

	01.04.08 to 31.3.2009	01.04.07 to 31.3.2008
I. CASH FROM OPERATING ACTIVITIES		
Net Profit before taxation & Extraordinary items	958.44	1,629.12
Adjustments for:		
Depreciation	2,180.84	1,493.26
Interest income	(45.55)	(148.64)
Dividend income	(50.07)	(50.07)
Interest expenses	1,479.69	848.22
Foreign Exchange Fluctuation	(599.62)	-
Profit / Loss on sale of asset	(1.41)	-
Preliminary Exp Written Off	-	-
	2,963.88	2,142.78
Operating profit before working capital changes	3,922.33	3,771.90
Debtors	(620.61)	(919.39)
Inventories	(248.73)	(4,035.40)
Other Current Assets	(1,095.96)	(925.92)
Current Liabilities	2,289.45	653.97
	324.15	(5,226.74)
Cash generation from operations	4,246.48	(1,454.84)
Less: income taxes paid	(129.01)	(233.69)
Net cash from operations	4,117.47	(1,688.53)
II. Cash from Investing Activities		
Purchase of fixed assets	(7,116.63)	(12,422.13)
Proceeds from sale of assets	5.77	-
Interest income	45.55	148.64
Dividend income	50.07	50.07
Purchase of Investments	(200.00)	(300.00)
Increase in Advance for Capital Expenses	2,398.30	(946.32)
	(4,816.94)	(13,469.74)
	(699.47)	(15,158.27)
III. Cash from Financing Activities		
Increase in Share Capital	-	-
Increase in Share Premium	-	-
Increase in Preliminary Expenses	-	74.09
Decrease in long term borrowing IFST Loan	(185.59)	(154.71)
Decrease in short term borrowing	(2,930.00)	4,123.23
Increase in Long Term Borrowings	4,176.75	11,287.10
Interest paid	(1,471.77)	(654.97)
Dividend Paid	(368.64)	(368.64)
	(779.25)	14,306.10
Net decrease in cash and cash equivalents	(1,478.73)	(852.17)
Opening cash and bank balances	1,869.91	2,722.08
Closing cash and bank balances	391.18	1,869.91
Net decrease in cash and cash equivalents	(1,478.73)	(852.17)

For P N RAGHAVENDRA RAO & CO.
Chartered Accountants

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Chairman

S V ALAGAPPAN
Vice Chairman

P R VITTEL
Patner
Membership No. 200 / 18111
Coimbatore

S V ARUMUGAM
Managing Director

N KRISHNARAJ
Company Secretary

BALANCE SHEET ABSTRACT AND COMPANY’S GENERAL BUSINESS PROFILE

I	Registration Details			
	Registration No.	181-2476	State Code	1 8
	Balance Sheet Date	31 03 2009		
II	Capital raised during the year (Amount in Rs.Thousands)			
	Public Issue	N I L	Rights Issue	N I L
	Bonus Issue	N I L	Private Placement	N I L
III	Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)			
	Total Liabilities	6091449	Total Assets	6091449
	Sources of Funds			
	Paid up Capital	157543	Reserves & Surplus	1445479
	Secured Loans	4119334	Unsecured Loans	73143
	Deferred Tax	295948		
	Application of Funds			
	Net Fixed Assets	4610659	Investments	80143
	Net Current Assets	1340683	Miscellaneous Expenditure	N I L
	Accumulated Losses			
IV	Performance of the Company (Amount in Rs. Thousands)			
	Turnover	2919244	Total Expenditure	2823399
	Profit before Tax	95844	Profit after Tax	80483
	Earnings per Share in	Rs. 5.11	Dividend Rate	10%
V	Generic Names of Three Principal Products/Services of the Company (as per monetary terms)			
	Item Code No. (ITC Code)	520511.01	5208.11	
	Product Description	COTTON YARN - GREY	FABRICS	

For P N RAGHAVENDRA RAO & CO.
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