



BANNARI AMMAN
Spinning Mills Ltd



22nd
Annual Report
2012

CONTENTS

Board of Directors	1
Notice to Shareholders.....	2
Directors' Report	4
Annexure to Directors' Report	7
Corporate Governance	9
Management Discussion and Analysis.....	17
Auditors' Certificate on Corporate Governance	18
Auditors' Report	19
Balance Sheet.....	22
Profit and Loss Account	23
Notes to Financial Statement.....	24
Cash Flow Statement	48

IMPORTANT COMMUNICATION

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by companies and has issued a circular clarifying that the companies would be in compliance of Section 219(1) of Companies Act 1956 in case copy of notice calling Annual General Meeting, Audited Financial Statements, Directors' Report, Auditors' Report etc is sent by electronic mail to its members. Hence, members who have not registered their e-mail addresses so far are requested to register their e-mail addresses with the depository through their Depository Participants to enable the company to send the notice calling Annual General Meeting, Audited Financial Statements, Directors' Report, Auditors' Report etc. through e-mail. Members who hold shares in physical form are requested to register their e-mail address with the Registrar and Share Transfer Agent viz. LINK INTIME INDIA PRIVATE LIMITED, COIMBTORE.

**BOARD OF DIRECTORS**

Sri S V Arumugam	-	Chairman & Managing Director
Sri S K Sundararaman	-	Executive 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

CHIEF EXECUTIVE OFFICER

Sri A Senthil

COMPANY SECRETARY

Sri N Krishnaraj

AUDITORS

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

INTERNAL AUDITORS

M/s Srivatsan & Gita
Chartered Accountants
Coimbatore - 641 018

COST AUDITOR

Sri M. Nagarajan
Cost Accountant
Coimbatore - 641 018

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 Maharastra
Indian Bank
IDBI Bank
Allahabad Bank



NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the 22nd Annual General Meeting of the Members of the Company will be held at Nani Kalai Arangam, Mani Higher Secondary School, Pappanickenpalayam, Coimbtore - 641 037 on the Monday the 24th day of September 2012 at 9.15 AM to transact the business set out in the agenda given below :

You are requested to make it convenient to attend the Meeting.

AGENDA

ORDINARY BUSINESSES

1. To receive and adopt the Balance Sheet as at 31st March, 2012 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 appoint a Director in the place of Sri K N V Ramani, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in the place of Sri K Sadhasivam, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration.

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 18.9.2012 to 24.9.2012 (both days inclusive).
4. 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.
5. Members are requested to bring their copy of the Annual Report along with them to the meeting.

Coimbatore
30th May, 2012

BY ORDER OF THE BOARD
N KRISHNARAJ
Company Secretary

**RE-APPOINTMENT OF DIRECTORS**

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

Name	:	Sri K N V Ramani
Age	:	80 years
Qualification	:	M.A., B.L.
Date of Appointment	:	25.07.2005
Experience	:	A renowned Corporate Lawyer, has more than 50 years of specialization in Companies Act, Taxation, Labour law etc.,
Other Directorships	:	Shiva Texyarn Limited Sri Kannapiran Mills Limited Sri Chamundeswari Sugars Limited K G Denim Limited L G B Forge Limited K P R Mill Limited Srinidhi Investment Advisors Private Limited Sree Shankara College Association
Member of Committees	:	Audit Committee - Member
Member of Committees in other Public Limited Companies	:	Shiva Texyarn Limited Audit Committee - Chairman Sri Kannapiran Mills Limited Audit Committee - Chairman K G Denim Limited Audit Committee - Member
Number of Shares held in the Company	:	Nil

Name	:	Sri K Sadhasivam
Age	:	65 years
Qualification	:	B.Sc.,
Date of Appointment	:	22.08.2006
Experience	:	He has more than 37 years of experience in Transport Business
Other Directorships	:	M S S Realtors Private Limited
Member of Committees	:	Nil
Member of Committees in other Public Limited Companies	:	Nil
Number of Shares held in the Company	:	Nil

Coimbatore
30th May, 2012

BY ORDER OF THE BOARD
N KRISHNARAJ
Company Secretary



DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 22nd Annual Report together with audited accounts of the Company for the year ended 31st March, 2012.

FINANCIAL RESULTS

(Rs in Lakhs)

	2011-2012	2010-2011
Profit before Depreciation	326.47	12,108.40
Less: Depreciation	3,722.63	3,720.03
Less : Taxes	-1,758.55	2,838.91
Less : Extra Ordinary Item (Net of Tax Expenses)	-	1,669.06
Profit after Tax	-1,637.61	3,880.40
Surplus brought forward from last year	1,026.36	513.37
Amount available for appropriation	-611.25	4,393.77
Appropriations:		
Provision for Equity Dividend	-	315.08
Provision for Tax on Dividend	-	52.33
Transfer to General Reserve	-	3,000.00
Surplus carried over to Balance Sheet	-	1,026.36
Total	-	4,393.77

DIVIDEND

Your Directors have not recommended any dividend for the financial year 2011-2012 considering the Losses suffered by the Company.

REVIEW OF OPERATIONS

Spinning Division

During the year under review, the Spinning Mills produced 14696.59 tonnes (22477.00 tonnes) inclusive of purchased quantity 56.68 tonnes (242.23 tonnes) of Yarn and sold 16136.67 tonnes (21015.25 tonnes) of Yarn. The sales include 8603.05 tonnes (7646.09 tonnes) by way of Export. The total sales of this division amounted to ₹34489.74 Lakhs (₹44329.66 Lakhs) of which export sales amounted to ₹18382.30 Lakhs (₹17989.34 Lakhs) constituting 53.30% (40.58%) of the total revenue.

Volatility in the price of raw material, acute power shortage, glut in the domestic and international markets, closure of dyeing units in textile clusters - particularly Tirupur in Tamilnadu due to environmental issues, have had adverse impact on the performance of the company.

Weaving Division

The Weaving Division specializes in manufacturing wide-width cotton fabric. During the year under review, 66.93 Lakh metres (86.33 Lakh Metres) of Fabric were produced and 70.21 Lakh Metres (76.13 Lakh metres) of Fabric were sold.

**Wind Mill Division**

The company has 4 windmills of 1250 KW each totaling 5MW in Radhapuram Taluk, Tirunelveli District, Tamilnadu, 25 Nos windmills, each of 800 KW capacity totaling 20 MW capacity in Dharapuram Taluk, Tirupur District and Palani Taluk, Dindigul District, Tamilnadu and 3 Windmills of 1650 KW each in Kongalnagaram, Udumalpet Taluk, Tirupur District, Tamilnadu. The total installed capacity of Windmills is 29.95 MW and the whole of the power generated is captively consumed by the Spinning Units.

The windmills produced 528.55 Lakh units of wind energy as against 563.67 lakh units produced in the last year.

Processing and Technical Textiles Division

During the year under review, 16.03 Lakh Metres (18.84 Lakh Metres) of Coated Fabric were produced and 16.52 Lakh metres (18.82 Lakh Metres) of Coated Fabric were sold. During the year under review 2.53 Lakh metres of Canvas were produced and 2.50 Lakh metres of Canvas were sold. The end products/applications of these fabrics include Home Textiles, upholstery, apparel fabric, performance and industrial fabric.

During the year under review, 3.35 Lakh Metres (2.12 Lakh Metres) of Breathable water proof Fabric were produced and 3.46 Lakh metres (1.75 Lakh metres) were sold under the Brand name Quick dry.

Prospects for the Current Year

The full year operation of garment division is expected to add favourable revenue. Power availability as well as market conditions are expected to improve. Steps have been taken to increase export sales. The working results are expected to be satisfactory.

PUBLIC DEPOSITS

During the year under review, the Company has not accepted any deposits from the Public.

DIRECTORS

Sri K N V Ramani 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 K N V Ramani - Member (Non-Executive Independent Director) and
3. Sri S Palaniswami - 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 not furnished as none of the employees were drawing remuneration in excess of limits specified therein.

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 - I.



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 judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year 2011-2012 and of the loss of the company for the year under review.
- (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.

COST AUDITOR

Sri M Nagarajan, Cost Accountant, Coimbatore has been appointed as Cost Auditor to conduct Cost Audit of the Company for the financial year 2012 onwards, subject to approval of Central Government.

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.

Coimbatore
30th May, 2012

BY ORDER OF THE BOARD
S V ARUMUGAM
Chairman & Managing Director


ANNEXURE I
Information pursuant to Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988
A. CONSERVATION OF ENERGY

Energy conservation continues to be 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.

a. Energy Conservation Measures taken:

- i. Carding waste suction fan (Energy efficient) replaced without increasing additional motor capacity for 80 cardings and 7 blow room line machinery.
- ii. Comber waste suction fan (Energy efficient) replaced without increasing additional motor capacity for 11 combers.

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.

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)	768.30	812.63
Amount spent (Rs in Lakhs)	3,605.47	3,475.63
Rate per unit (Rs)	4.69	4.28
b) Own Generation		
i) Through Diesel Generator		
Total Units produced (in Lakhs)	40.25	74.14
Units produced per litre of diesel (Units)	3.32	3.39
Amount spent (Rs in lakhs)	441.30	760.33
Cost per unit (Rs)	10.96	10.25
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	Current Year	Previous Year
Product : COTTON YARN		
Production in MT	14,639.91	22,234.77
Electricity consumed in units (in Lakhs)	739.02	786.07
Electricity consumed per Kg of yarn (Units)	5.05	3.54



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	:	Nil
Adaptation and innovation		
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 :		
Travelling	:	₹ 55,48,026/-
Commission	:	₹ 2,56,61,263/-
Interest	:	₹ 2,03,69,067/-
Purchase of Spares and Capital Goods	:	₹ 4,43,36,109/-
Purchase of Raw Materials	:	₹ 18,22,00,454/-
ii) Foreign Exchange earned	:	₹ 1,82,50,83,383/-

Coimbatore
30th May, 2012

BY ORDER OF THE BOARD
S V ARUMUGAM
Chairman & Managing Director



REPORT ON 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 8 Directors viz., 2 Executive Directors and 6 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	10	-	-
2. Sri S V Alagappan ^{\$}	Non-Executive	4	-	-
3. Sri S V Arumugam	Executive	6	1	2
4. Sri S K Sundararaman	Executive	3	-	1
5. Sri V Venkata Reddy	Non-Executive Independent	2	2	1
6. Sri K N V Ramani	Non-Executive Independent	6	2	1
7. Sri C S K Prabhu	Non-Executive Independent	3	1	4
8. Dr K R Thillainathan	Non-Executive Independent	1	-	-
9. Sri S Palaniswami	Non-Executive Independent	1	-	1
10. Sri K Sadhasivam	Non-Executive Independent	-	-	-

[#] Resigned w.e.f. 28.12.2011

^{\$} Resigned w.e.f. 16.04.2012

Directors under Sl.No 1 to 3 are related to each other as brothers.

* 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, 4 Board Meetings were convened by giving advance notices to the Directors. The meetings were held on 23.05.2011, 22.07.2011, 14.11.2011 and 13.02.2012.

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 29.09.2011:

NAME OF THE DIRECTOR	NUMBER OF BOARD MEETINGS ATTENDED	LAST AGM ATTENDED YES / NO
1. Sri S V Arumugam	4	Yes
2. Sri S K Sundararaman	4	Yes
3. Sri V Venkata Reddy	3	No
4. Sri K N V Ramani	2	Yes
5. Sri C S K Prabhu	3	Yes
6. Dr K R Thillainathan	4	Yes
7. Sri S Palaniswami	3	No
8. Sri K Sadhasivam	4	Yes

AUDIT COMMITTEE

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

- | | | |
|----------------------|---|------------------------|
| 1. Sri C S K Prabhu | - | Chairman - Independent |
| 2. Sri K N V Ramani | - | Member - Independent |
| 3. Sri S Palaniswami | - | Member - Independent |

The terms of reference of the Audit Committee are as set out in Clause 49 of the Listing Agreement, which inter-alia includes the following:

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



During the financial year, the Audit Committee met 4 times and the attendance of each member is furnished below:

Name of the Member	No of Meetings Attended
1. Sri C S K Prabhu	4
2. Sri K N V Ramani	4
3. Sri S Palaniswami	2

REMUNERATION COMMITTEE

The Remuneration Committee consists of 3 Directors, all of whom 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.,

Remuneration paid to Managing Director and Executive Director are as follows :

Name	Designation	Remuneration Received ₹
Sri S V Arumugam	Managing Director	53,64,453
Sri S K Sundararaman	Executive Director	45,83,071

The sitting fees to non-executive Directors are revised from ₹2000/- to ₹5,000/- as recommended by Remuneration Committee and approved at the Board Meeting held on 14.11.2011 for Board Meeting and Audit Committee Meeting attended by them.

SHAREHOLDING OF NON-EXECUTIVE DIRECTORS AS ON 31.03.2012

Name of the Director	No. of sharesheld
Sri S V Alagappan*	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	172
Sri K Sadhasivam	Nil

* Resigned w.e.f. 16.4.2012



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 :

1. Sri C S K Prabhu - Chairman
2. Sri S K Sundararaman - Member

Sri N Krishnaraj, Company Secretary is the compliance Officer.

The company received 4 complaints from the shareholders and no complaint was pending at the beginning of the year. All the complaints have been resolved to the satisfaction of the shareholders.

In terms of the Clause 5A of Listing Agreement entered into with Stock Exchange, the Company has opened Demat Suspense Account in the name "**Bannari Amman Spinning Mills Limited Unclaimed Shares Demat Suspense Account**" and transferred the shares which remains unclaimed and are lying in the escrow account out of the Initial Public Offer made by the Company.

Unclaimed Shares	No. of share holders	No. of shares
Outstanding at the beginning of the year	24	1266
Approached for transfer during the year	Nil	Nil
Transferred to the shareholder during the year	Nil	Nil
Balance at the end of the year	24	1266

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 in 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
19 th	23.09.2009	Nani Kalai Arangam, Mani Higher Secondary School, Pappanaickenpalayam, Coimbatore 641 037	10.00 AM
20 th	20.09.2010	Nani Kalai Arangam, Mani Higher Secondary School, Pappanaickenpalayam, Coimbatore 641 037	10.15 AM
21 st	29.09.2011	Nani Kalai Arangam, Mani Higher Secondary School, Pappanaickenpalayam, Coimbatore 641 037	10.00 AM

DISCLOSURES

- None of the transactions with related parties during the year 2011-2012 were in conflict with the interest of the company.
- There was no instance of non-compliance of any matter related to the capital markets during the last 3 years.

MEANS OF COMMUNICATION

- 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.
- 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	:	Monday and 24.9.2012
Time	:	9.15 A.M
Venue	:	Nani Kalai Arangam Mani Higher Secondary School Pappanaickenpalayam, Coimbatore 641 037

Financial Calendar

Results Announced	:	30.5.2012
Posting of Annual Report	:	On or before 27.8.2012
Last date of receipt of Proxy forms	:	22.9.2012
Announcement of quarterly Results	:	During first/second week of August and November 2012. February and May 2013 or as stipulated by SEBI from time to time.

Date of Book Closure for the purpose of Annual General Meeting

18.9.2012 to 24.9.2012 (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 2011 to March 2012 were:



MONTH	SHARE PRICE AT NSE		NIFTY - INDEX	
	High (Rs. Ps.)	Low (Rs. Ps.)	High	Low
April 2011	125.00	106.05	5944.45	5693.25
May	119.40	89.00	5775.25	5328.70
June	99.90	76.55	5657.90	5195.90
July	96.00	76.30	5740.40	5453.95
August	87.00	58.05	5551.90	4720.00
September	77.90	56.00	5169.25	4758.85
October	70.00	56.00	5399.70	4728.30
November	67.90	46.55	5326.45	4639.10
December	66.50	51.75	5099.25	4531.15
January 2012	79.40	58.25	5217.00	4588.05
February	80.00	67.50	5629.95	5159.00
March	80.00	53.60	5499.40	5135.95

Based on the closing quotation of ₹ 56.00 as at 31.03.2012 at NSE Mumbai, the market capitalization of the company was ₹ 88.22 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"	
Dalal Street, Mumbai 400 001		Bandra-Kurla Complex	
		Bandra (E) Mumbai 400 051	

The company has paid Annual Listing Fees for the year 2012-2013.

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 AGENT
Link Intime India Private Limited

Suriya, 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.

SHARE TRANSFER SYSTEM

The Share Transfers in physical form are registered and returned within 15 days from the date of receipt if the documents are in order. The share transfers are approved by the Share Transfer Committee who usually meet twice in a month, if needed.

SHAREHOLDING PATTERN AS ON 31.03.2012

Category	No of Shares Held	Percentage of Shareholding
Promoter's Holding	87,51,250	55.55
Banks/FIs/Mutual Funds	2,87,214	1.82
Private Corporate Bodies	17,60,734	11.18
Indian Public	48,59,443	30.85
NRI/OCBs	95,628	0.60
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 624 803. Tamilnadu
Weaving Division	Technical / Flocking Division
Karanampet - Paruvai Road Paruvai Post, Coimbatore - 641 658	Kovai - Sathy Main Road, Kunnathur Village Ganesapuram Post, S S Kulam (Via) Coimbatore - 641 107



BANNARI AMMAN SPINNING MILLS LTD

Windmill Division

Irukandurai & Dhanakarkulam Villages Radhapuram Taluk Tirunelveli District, Tamilnadu	Chinnapudur Village Dharapuram Taluk Erode District, Tamilnadu
Melkaraipatti & Kottathurai Villages Palani Taluk Dindigul District Tamilnadu	Virugalpatti Village Illuppanagaram Village Udumelpet Taluk, Tirupur District Tamilnadu

Garments Division

Palladam Hitech Weaving Park Sukkampalayam Village K N Puram (Po) Palladam- 641 662	Karanampet - Paruvai Road Paruvai Post Coimbatore - 641 658
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Address for Correspondence

The Company Secretary
Bannari Amman Spinning Mills Limited
252, Mettupalayam Road, Coimbatore - 641 043
E-mail: shares@bannarimills.com

Coimbatore
30th May, 2012

BY ORDER OF THE BOARD
S V ARUMUGAM
Chairman & Managing Director



MANAGEMENT DISCUSSION AND ANALYSIS

COMPANY'S BUSINESS

The company's business is manufacture of cotton yarn, woven and coated fabrics, Garments and wind power generation. The company has two modern spinning units near Dindigul, Tamilnadu with installed capacity of 1,44,240 spindles, weaving unit near Palladam, Tamilnadu with installed capacity of 135 looms, processing and technical textiles near Annur, Tamilnadu with capacity to produce 24 Lakhs meters coated fabric per annum and 32 windmills with installed capacity of 29.95 MW of power. The whole of the power produced by windmills is capitively consumed by the spinning units.

INDUSTRY STRUCTURE AND DEVELOPMENTS

Indian textile industry plays major role in the economy of the country. The Indian textile industry secures about 17% of total foreign exchange of India. It is having a significant share in the total Indian industrial production. This industry employs more than 35 million people directly.

Indian Textile and Clothing Industry is the second largest producer of cotton and yarn in the world.

India has potential to increase its textile and apparel share in the world trade from the present level of 4.5% to 8% and reach US\$ 80 billion by 2020.

Overall demand outlook for the textile industry for financial year 2012-13 is expected to remain moderate; with volatile commodity prices and exchange rate being key challenges for the industry. However, with the US and EU accounting for more than 70 per cent of Indian apparel exports, the concerns over the economic health of these countries is expected to put pressure on the Indian apparel exporters in the medium term.

OPPORTUNITIES, RISKS AND CONCERNS

Margin pressure would persist driven by rising power cost, power shortages, and higher interest rates.

The cotton industry is presently facing challenges like slow demand and a loss in margins, but a recovery is expected on account of falling cotton prices, though this could be negated by further volatility in input costs or forex movements,

The opportunities of this sector may creep up depending upon the recovery of the euro zone and crises.

A supportive financial package with reduced interest costs may offer more stability to the industry in the present context.

The industry may show more positive growth in the scenario of removal of the uncertainties thrown up by frequent changes in cotton export policy.

SEGMENT WISE AND PRODUCT-WISE PERFORMANCE

The entire operations of the company relate only one segment viz., therefore segment/product wise details are not applicable.

OUTLOOK

With the optimum utilization of very modern machinery it is expected that the company would be able to improve efficiency.

The company has been taking steps to increase the export sales as well as up-country sales for improving the sales turnover.

Coimbatore
30th May, 2012

BY ORDER OF THE BOARD
S V ARUMUGAM
Chairman & Managing Director



DECLARATION ON CODE OF CONDUCT

To
The Members
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 31.03.2012.

Coimbatore
30th May, 2012

S V ARUMUGAM
Managing Director

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE :

To
The Members
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 2012, 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 has been limited to a review of the procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance as stipulated in the said clause. 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.

Coimbatore
30th May, 2012

For **P N RAGAVENDRA RAO & Co.**
Chartered Accountants
P R VITTEL
Partner
M.No.200/18111
ICAI Firm Regn. No. 003328S

**AUDITORS' REPORT TO THE SHAREHOLDERS**

To
The Members
Bannari Amman Spinning Mills Limited

We have audited the attached Balance Sheet of M/s. Bannari Amman Spinning Mills Limited as at 31.03.2012, Statement of Profit and Loss and also the 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 Central 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.
 - i. In respect of its fixed assets:
 - a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b. All the assets have not been physically verified by the management during the year but there is a regular programme of verification which in our opinion is reasonable having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such verification.
 - c. In our opinion and according to the information and explanations given to us, the Company has not disposed off substantial part of its fixed assets during the year.
 - ii. In respect of its inventories:
 - a. The inventories have been physically verified by the management. In our opinion, the frequency of verification is reasonable.
 - b. The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c. The Company is maintaining 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.
 - iii. The company has not granted/taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
 - iv. In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system of the company.
 - v.
 - a. In our opinion and according to the information and explanations given to us, the particulars of all contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
 - b. In our opinion and according to the information and explanations furnished to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year



have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

- vi. The Company has not accepted any deposits from the public. Therefore the provisions of clause 4 (vi) of the Companies (Auditor's Report) Order, 2003 are not applicable.
- vii. In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- viii. We have broadly reviewed cost records maintained by the company pursuant to the Companies (cost accounting records) Rules, 2011 prescribed by the Central Government under Section 209 (1) (d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- ix. In respect of statutory dues:
 - a. According to the records, the Company is regular in depositing with appropriate authorities 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 material statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of aforesaid dues were outstanding as at 31st March, 2012 for a period of more than six months from the date of they became payable.
 - b. The disputed statutory dues aggregating to ₹127.98 Lakhs that have not been deposited on account of matters pending before appropriate authority are as under:

Name of the Statute	Nature of the Dues	Amount (₹ in Lakhs)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty rebate	51.59	07.12.2008 to 07.07.2009	Commissioner of Central Excise (Appeals), Madurai
Central Excise Act, 1944	Excise Duty	55.73	07.12.2008 to 06.07.2009	The CESTAT, Chennai
Central Excise Act, 1944	Excise Duty rebate	19.33	07.12.2008 to 06.07.2009	Commissioner of Central Excise (Appeals), Madurai
Central Excise Act, 1944	Excise Duty	1.33	01.04.2009 to 30.06.2009	Commissioner of Central Excise (Appeals), Madurai

- x. 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.
- xi. In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment of dues to financial institutions or banks.
- xii. 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.
- xiii. 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.



- xiv. In our opinion, the company is not dealing or trading in shares, securities, debentures and other investments. Therefore, clause 4(xiv) of the Companies (Auditor's Report) Order 2003 is not applicable to the Company.
 - xv. 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.
 - xvi. In our opinion, the term loans have been applied for the purpose for which they have been raised.
 - xvii. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that the no funds raised on short term basis have been used for long term investments.
 - xviii. According to the information and explanations given to us, 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.
 - xix. The Company has not issued any debentures during the year.
 - xx. The Company has not raised any money by way of public issue during the year.
 - xxi. 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 course of our audit.
- 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, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
 - e) On the basis of written representations received from the directors, as on 31st March 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2012 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 give the information required by the Companies Act, 1956, in the manner so required, and give a true and fair view, in conformity with the accounting principles generally accepted in India:
 - (i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;
 - (ii) In the case of the Statement of Profit and Loss of the Loss for the year ended on that date; and
 - (iii) In case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Coimbatore
30th May, 2012

For **P N RAGAVENDRA RAO & Co.**
Chartered Accountants
P R VITTEL
Partner
M.No.200/18111
ICAI Firm Regn. No. 003328S



BANNARI AMMAN SPINNING MILLS LTD

BALANCE SHEET AS AT 31.03.2012

PARTICULARS	Note No.	As at 31.03.2012 ₹	As at 31.03.2011 ₹
I. EQUITY AND LIABILITIES :			
1. SHAREHOLDERS' FUNDS			
(a) Share Capital	2	15,75,42,690	15,75,42,690
(b) Reserves and Surplus	3	1,75,59,28,404	1,91,96,89,519
2. NON-CURRENT LIABILITIES			
(a) Long Term Borrowings	4	2,64,18,94,013	3,08,03,17,056
(b) Deferred Tax Liabilities (Net)		39,00,09,280	56,67,97,833
(c) Other Long Term Liabilities	5	1,12,73,657	1,17,03,657
(d) Long Term Provisions	6	1,07,35,027	1,27,87,725
3. CURRENT LIABILITIES			
(a) Short Term Borrowings	7	89,17,07,536	1,47,06,58,086
(b) Trade Payables	8	38,74,39,144	29,40,13,097
(c) Other Current Liabilities	9	68,28,93,770	63,19,26,612
(d) Short Term Provisions	10	48,68,318	4,22,84,840
TOTAL		6,93,42,91,839	8,18,77,21,115
II. ASSETS :			
1. NON-CURRENT ASSETS			
(a) Fixed Assets	11		
(i) Tangible Assets		4,63,78,92,261	4,80,56,97,736
(ii) Capital Works in Progress		1,51,79,084	51,59,499
(iii) Foreign Currency Monetary Items Translation Reserve A/c		5,04,71,043	-
(b) Non Current Investments	12	17,49,26,335	17,49,26,335
(c) Long Term Loans and Advances	13	35,85,27,673	36,56,75,621
(d) Other Non Current Assets	14	3,34,06,934	3,51,06,934
2. CURRENT ASSETS			
(a) Inventories	15	99,22,61,294	1,98,48,75,875
(b) Trade Receivables	16	32,61,79,382	36,92,58,011
(c) Cash and Cash Equivalents	17	12,47,04,295	5,39,44,632
(d) Short Term Loans and Advances	18	14,17,95,384	10,81,26,312
(e) Other Current Assets	19	7,89,48,154	28,49,50,160
TOTAL		6,93,42,91,839	8,18,77,21,115

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

For **P N RAGHAVENDRA RAO & CO**
Chartered Accountants

P R VITTEL

Partner

Membership No. 200/18111

ICAI Firm Regn. No: 0033285

Coimbatore

30th May, 2012

S V ARUMUGAM

Chairman & Managing Director

S K SUNDARARAMAN

Executive Director

N KRISHNARAJ

Company Secretary



STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2012

PARTICULARS	Note No.	Year Ended 31.03.2012 ₹		Year Ended 31.03.2011 ₹
1. Revenue from operations	20	4,59,72,50,658		5,45,48,87,355
2. Other income	21	2,25,76,824		16,21,98,183
3. Total revenue		4,61,98,27,482		5,61,70,85,538
4. Expenses				
(a) Cost of materials consumed	22	3,17,98,20,225		3,60,84,46,843
(b) Purchases of stock-in-trade	23	1,00,07,179		6,13,72,777
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	23,11,54,176		-40,96,13,654
(d) Employee benefits expenses	25	18,97,11,277		16,81,43,497
(e) Finance costs	26	32,63,83,489		25,72,91,642
(f) Depreciation and amortisation expenses		37,22,62,517		37,20,02,955
(g) Other expenses	27	65,01,04,736		72,06,04,666
Total expenses		4,95,94,43,599		4,77,82,48,726
5. Profit / (Loss) before exceptional and extraordinary items and tax		-33,96,16,117		83,88,36,813
6. Profit / (Loss) before extraordinary items and tax		-33,96,16,117		83,88,36,813
7. Less : Extraordinary items				
Earlier Year Depreciation on account of change in method of depreciation		-	25,28,49,339	
Less : Deferred Tax Asset on above withdrawn		-	8,59,43,490	
8. Profit / (Loss) before tax		-33,96,16,117		16,69,05,849
9. Tax expense :				67,19,30,964
(a) Current tax expense for current year	-		9,67,51,668	
(b) (Less): MAT credit (where applicable)	-		-9,67,51,668	
(c) Current tax expense relating to prior year		9,33,550	-	-
(d) Deferred tax		-17,67,88,553		28,38,91,278
10. Profit / (Loss) for the year		-16,37,61,114		38,80,39,686
11. Earnings per share (of ₹ 10/- each):				
(a) Basic (i) Continuing operations		-10.39		24.63
(ii) Total operations		-10.39		24.63
(b) Diluted (i) Continuing operations		-10.39		24.63
(ii) Total operations		-10.39		24.63
Earnings per share (excluding extraordinary items) (of ₹ 10/- each):				
(a) Basic (i) Continuing operations		-10.39		35.23
(ii) Total operations		-10.39		35.23
(b) Diluted (i) Continuing operations		-10.39		35.23
(ii) Total operations		-10.39		35.23

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

For **P N RAGHAVENDRA RAO & CO**
Chartered Accountants

P R VITTEL

Partner

Membership No. 200/18111

ICAI Firm Regn. No: 003328S

Coimbatore

30th May, 2012

S V ARUMUGAM
Chairman & Managing Director

S K SUNDARARAMAN
Executive Director

N KRISHNARAJ
Company Secretary


1. Notes to Financial Statements for the year ended 31st March 2012

PARTICULARS	As at 31.03.2012 ₹		As at 31.03.2011 ₹
2. Share Capital			
a. AUTHORISED			
160,00,000 (PY 160,00,000) Equity Shares of Rs.10/- each	16,00,00,000		16,00,00,000
50,000 (PY 50,000) Cumulative preference Shares of Rs.100/- each	50,00,000		50,00,000
Total	16,50,00,000		16,50,00,000
ISSUED , SUBSCRIBED AND FULLY PAID UP			
1,57,54,269 (PY 1,57,54,269) Equity Shares of Rs.10/- each	15,75,42,690		15,75,42,690
Total	15,75,42,690		15,75,42,690

b. Reconciliation of shares outstanding at the beginning and at the end of the reporting period

Name of the Share holder	As at 31.03.2012		As at 31.03.2011	
	No.of shares	Amount in Rs.	No.of shares	Amount in Rs.
Equity Shares				
At the beginning of the period	1,57,54,269	15,75,42,690	1,57,54,269	15,75,42,690
At the end of the period	1,57,54,269	15,75,42,690	1,57,54,269	15,75,42,690

Terms/rights attached to the equity shares

The company has issued only one class of equity shares having a face value of ₹10 per equity share. Each holder of equity share is entitled to one vote per share. The company declares and pays dividend in Indian Rupees. The dividend proposed by Board of Directors is subject to the approval of the Shareholders in ensuing Annual General Meeting.

c. Details of shareholders holding morethan 5% shares in the company.

Name of the Share holder	As at 31.03.2012		As at 31.03.2011	
	No.of shares	% of holding	No.of shares	% of holding
Equity Shares				
Murugan Enterprises P Ltd	78,03,733	49.53	78,03,733	49.53
Vedanayagam Enterprises P Ltd	-	-	9,37,500	5.95
Gagandeep Credit Capital P Ltd	8,33,919	5.29	-	-



PARTICULARS	As at 31.03.2012 ₹		As at 31.03.2011 ₹
3. Reserves and Surplus			
a. General Reserve			
Opening balance	1,02,39,78,091		72,39,78,091
Add: Transferred from surplus in Statement of Profit and Loss	-		30,00,00,000
Closing balance	1,02,39,78,091		1,02,39,78,091
b. Share Premium Account	79,30,76,230		79,30,76,230
c. Surplus in Profit and Loss Account			
Opening balance	10,26,35,198		5,13,37,224
Add : Profit / (Loss) for the year	-16,37,61,114		38,80,39,686
Less : Dividends proposed to be distributed to equity shareholders (Nil per share) (31.03.11-Rs.2/- (two) per share)	-		3,15,08,538
Tax on dividend	-		52,33,174
General Reserve	-		30,00,00,000
Closing balance	-6,11,25,917		10,26,35,198
Total	1,75,59,28,404		1,91,96,89,519
4. Long Term Borrowings			
a. Term loans from Banks - Secured			
ICICI Bank	3,37,50,000		5,62,50,000
Corporation Bank	18,41,27,506		24,65,27,446
Bank of Maharashtra	29,68,75,002		35,93,75,000
Oriental Bank of Commerce	84,33,85,780		1,03,08,85,780
Indian Bank	24,47,42,004		22,35,00,000
Indian Overseas Bank	1,02,50,41,609		1,14,22,96,127
From other parties			
Unsecured	-		2,14,82,703
(b) Long-term maturities of finance lease obligations			
Unsecured	1,39,72,112		-
Total	2,64,18,94,013		3,08,03,17,056



b. Name of the Bank and Details of the loan

ICICI Bank Limited

"ICICI Bank Ltd - Rupee Term Loan under Technology Upgradation Fund Scheme

Outstanding as at 31.03.2012 Rs.562.50 Lakhs
(31.03.2011 - Rs.787.50 Lakhs)

Current maturity for 31.03.2012 - Rs.225 Lakhs
(31.03.2011 - Rs.225 Lakhs)"

Corporation Bank

"Corporation Bank - Rupee Term Loan under Technology Upgradation Fund Scheme

Outstanding as at 31.03.2012 Rs.1961.28 Lakhs
(31.03.2011 - Rs.2361.28 Lakhs)

Current maturity for 31.03.2012 - Rs.400 Lakhs
(31.03.2011 - Rs.400 Lakhs)"

"Corporation Bank - Rupee Term Loan under Technology Upgradation Fund Scheme

Outstanding as at 31.03.2012 Rs.504 Lakhs
(31.03.2011 - Rs.728 Lakhs)

Current maturity for 31.03.2012 - Rs.224 Lakhs
(31.03.2011 - Rs.224 Lakhs)"

Bank of Maharashtra

"Bank of Maharashtra - Rupee Term Loan under Technology Upgradation Fund Scheme

Outstanding as at 31.03.2012 Rs.3593.75 Lakhs
(31.03.2011 - Rs.4218.75 Lakhs) -

Current maturity for 31.03.2012 - Rs.625 Lakhs
(31.03.2011 - Rs.625 Lakhs)"

Oriental Bank of Commerce

"Oriental Bank of Commerce - Rupee Term Loan under Technology Upgradation Fund Scheme

Securities and other Terms & Conditions

"Security : 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.

Repayment: 32 quarterly instalments starting from December 2006. Loan has been further secured by the personal guarantee of Managing Director of the Company".

Rate of interest : 8.50% to 9.10% per annum.

"First charge by way of Equitable Mortgage over factory land and building and hypothecation of other movable assets financed by the bank for the expansion 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.

Repayment : 32 Quarterly instalments starting from Dec 2009".

Rate of interest : 14.75% per annum.

"Exclusive First charge on the Windmill- Unit I and all related equipments, systems and accessories. Loan has been further secured by the personal guarantee of Managing Director of the Company.

Repayment : 32 Quarterly instalments starting from August 2006."

Rate of interest : 9% per annum.

"First charge by way of Equitable Mortgage over factory land and building and hypothecation of other movable assets financed by the bank for the expansion 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.

Repayment : 32 Quarterly instalments starting from March 2010."

Rate of interest : 13% per annum.

"First charge by way of Equitable Mortgage over factory land and building and hypothecation of other movable assets financed by the bank for the expansion project ranking pari-passu with other



Outstanding as at 31.03.2012 Rs.10308.86 Lakhs
(31.03.2011 - Rs.12183.86 Lakhs)

Current maturity for 31.03.2012 - Rs.1875 Lakhs
(31.03.2011 - Rs.1875 Lakhs)"

Indian Bank

"Indian Bank - Rupee Term Loan

Outstanding as at 31.03.2012 Rs.2235 Lakhs
(31.03.2011 - Rs.2607.50 Lakhs)

Current maturity for 31.03.2012 - Rs.372.50 Lakhs
(31.03.2011 - Rs.372.50 Lakhs)"

"Indian Bank - Rupee Term Loan

Outstanding as at 31.03.2012 Rs.584.92 Lakhs
(31.03.2011 - Nil)

Current maturity for 31.03.2012 - Nil (31.03.2011 - Nil)"

Indian Overseas Bank

"Indian Overseas Bank - Rupee Term Loan under
Technology Upgradation Fund Scheme

Outstanding as at 31.03.2012 Rs. 6837.20 Lakhs
(31.03.2011 - Rs.7287.20 Lakhs)

Current maturity for 31.03.2012 - Rs.1250 Lakhs
(31.03.2011 - Rs.1250 Lakhs)"

"Indian Overseas Bank - Rupee Term Loan

Outstanding as at 31.03.2012 Rs. 3371 Lakhs
(31.03.2011 - Rs.3371 Lakhs)

Current maturity for 31.03.2012 - Rs.420 Lakhs
(31.03.2011 - Nil)"

"Indian Overseas Bank - Foreign Currency Term Loan

Outstanding as at 31.03.2012 Rs. 2282.22 Lakhs
(31.03.2011 - Rs.2611.25 Lakhs)

Current maturity for 31.03.2012 - Rs.570 Lakhs
(31.03.2011 - Rs.596.52 Lakhs)"

banks. Second charge on the above fixed assets to be extended to the bankers who are extending working capital facilities to the company.

Repayment :32 Quarterly instalments starting from October 2009."

Rate of interest : 7.80% per annum.

"Exclusive First charge by way of Mortgage and hypothecation on windmil unit III assets being financed by the Bank.

Repayment :32 Quarterly instalments starting from June 2011."

Rate of interest : 13.25% per annum.

"Exclusive First charge by way of equitable mortgage over factory land and building where construction is proposed and exclusive charge on fixed assets to be purchased out of the loan.

Repayment :32 Quarterly instalments starting from June 2014."

Rate of interest : 12.75% per annum.

"First charge by way of Equitable Mortgage over factory land and building and hypothecation of other movable assets financed by the bank for the expansion 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.

Repayment :32 Quarterly instalments starting from October 2009."

Rate of interest : 7.80% per annum and 14% per annum.

"Exclusive First charge on windmil unit IV & V assets situated at Chinnapudur village, Dharapuram Taluk, Tamilnadu and Kongalnagaram, Udumalpet Taluk, Tirupur district, Tamilnadu.

Repayment :32 Quarterly instalments starting from June 2012."

Rate of interest : 9.85% per annum.

"Exclusive First charge on windmil unit II assets situated at Chinnapudur village, Dharapuram Taluk, Tamilnadu.

Repayment :14 Half-yearly instalments starting from June 2009."

Rate of interest : 7.81% per annum.



PARTICULARS	As at 31.03.2012 ₹	As at 31.03.2011 ₹
5. Other Long Term Liabilities		
(a) Others :		
(i) Payables on purchase of fixed assets	-	-
(ii) Trade / security deposits received	18,43,657	22,73,657
(iii) Others (Advance received for sale of land)	94,30,000	94,30,000
Total	1,12,73,657	1,17,03,657
6. Long Term Provisions		
(a) Provision for employee benefits :		
(i) Provision for post-employment payments	1,07,35,027	1,27,87,725
Total	1,07,35,027	1,27,87,725
7. Short Term Borrowings		
(a) Loans repayable on demand From banks		
(i) Secured	89,17,07,536	1,47,06,58,086
Total	89,17,07,536	1,47,06,58,086

Name of the Bank and Details of the loan
The Karur Vysya Bank Limited

"Karur Vysya Bank Ltd - Working Capital Limit Rs.750 Lakhs Outstanding as at 31.03.2012 Rs.726.35 Lakhs (31.03.2011 - Rs.444.68 Lakhs)"

Corporation Bank

"Corporation Bank - Working Capital Limit Rs.5250 Lakhs Outstanding as at 31.03.2012 Rs.1575.78 Lakhs (31.03.2011 - Rs.2612.17 Lakhs)"

ICICI Bank Limited

"ICICI Bank Limited - Working Capital Limit Rs.2500 Lakhs. Outstanding as at 31.03.2012 Rs.Nil (31.03.2011 - Rs.500 Lakhs)"

"ICICI Bank Limited - Short Term Loan Outstanding as at 31.03.2012 Rs.3000 Lakhs (31.03.2011 - Nil)"

Securities and other Terms & Conditions :

"Security: First Charge by way of Hypothecation of Raw materials, Stock in-process, Finished goods of the Spinning Unit - I. Second charge on the Fixed Assets of the Spinning Unit - I."

Rate of interest : 12.50% per annum.

"Security: First Charge by way of Hypothecation of Raw materials, Stock in-process, Finished goods of the Spinning Unit - I, II and weaving division. Second charge on the Fixed Assets of the Spinning Unit - I, II and weaving division."

Rate of interest : 13.35% per annum.

"Security: First Charge by way of Hypothecation of Raw materials, Semi-finished and Finished goods, Consumable stores and Spares and other movable properties both present and future for Limit upto Rs.2500 Lakhs."

Rate of interest : 2.50% per annum (Packing Credit).
Rate of interest : 12.34% per annum (Short term Loan).



Oriental Bank of Commerce

"Oriental Bank of Commerce - Working Capital Limit Rs.5000 Lakhs (Interchangable of Cash credit/Rupee Packing Credit/Packing Credit in Foreign Currency Loan) Outstanding as at 31.03.2012 Rs.98.89 Lakhs (31.03.2011 - Rs.3763.61 Lakhs)"

Indian Overseas Bank

"Indian Overseas Bank - Working Capital Limit (Interchangable of Cash credit/WCFC/Rupee Packing Credit/Packing Credit in Foreign Currency Loan) Outstanding as at 31.03.2012 Rs.2506.40 Lakhs (31.03.2011 -Rs.4139.15 Lakhs)"

Bank of Maharashtra

"Bank of Maharashtra - Working Capital Limit Rs.500Lakhs Outstanding as at 31.03.2012 Rs.478.36 Lakhs (31.03.2011 -Rs. 484.95 Lakhs)".

Allahabad Bank

"Allahabad Bank - Working Capital Limit (Interchangable of Cash credit/Packing Credit/Packing Credit in Foreign Currency Loan) Rs.4500 Lakhs Outstanding as at 31.03.2012 Rs. 507.96 Lakhs (31.03.2011 -Rs. 962.54 Lakhs)".

"Security: 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 arrangements. Pari-pasu second charge on Fixed Assets of the company belonging to expansion project along with other banks who have extended Working Capital Finance for expansion project under multiple banking arrangements."

Rate of interest : 12.75% per annum.

Rate of interest : 2.50% per annum (Packing Credit)

"Security: 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 arrangements. Pari-pasu second charge on Fixed Assets of the company belonging to expansion project along with other banks who have extended Working Capital Finance for expansion project under multiple banking arrangements."

Rate of interest : 14% per annum.

Rate of interest : 2.46% per annum (Packing Credit)

Rate of interest : 8.20% per annum (Working capital Foreign currency).

"Security: 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 arrangements."

Rate of interest : 13% per annum.

Security: 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 arrangements.

Rate of interest : 13.25% per annum.



PARTICULARS	As at 31.03.2012 ₹		As at 31.03.2011 ₹
8. Trade Payables			
Acceptances	38,74,39,144		29,40,13,097
Total	38,74,39,144		29,40,13,097
9. Other Current Liabilities			
(a) Current maturities of long-term debt	62,71,38,457		57,54,25,400
(b) Interest accrued but not due on borrowings	1,03,90,314		1,24,43,928
(c) Other payables			
(i) Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.)	98,22,639		82,55,411
(ii) Payables on purchase of fixed assets	2,00,43,523		45,73,279
(iii) Advances from customers	1,54,98,837		3,12,28,594
Total	68,28,93,770		63,19,26,612
10. Short Term Provisions			
(a) Provision for employee benefits :			
(i) Provision for bonus	48,68,318		55,43,128
(ii) Provision for proposed equity dividend	-		3,15,08,538
(iii) Provision for tax on proposed dividends	-		52,33,174
Total	48,68,318		4,22,84,840

* Depreciation - ₹ 86,835 has been capitalised.



PARTICULARS	As at 31.03.2012 ₹		As at 31.03.2011 ₹
12 Non Current Investments			
I. NON-TRADE, QUOTED - AT COST - FULLY PAID UP			
INVESTMENT IN EQUITY INSTRUMENTS OF OTHER ENTITIES :			
i) 250 Equity Shares (P.Y : 250) of Bannari Amman Sugars Ltd of Rs.10 each	31,434		31,434
ii) 17 Equity Shares (P.Y : 17) of Moil Ltd of Rs.10 each	6,056		6,056
Total	37,490		37,490
II. NON-TRADE, UN QUOTED - AT COST			
A. IN GOVERNMENT SECURITIES :			
Kisan Vikas Patra (*)	3,000		3,000
B. IN EQUITY INSTRUMENTS OF OTHER ENTITIES:			
i) 344039 (P.Y.344039) Preference Shares of Rs.100/- each in Anamallais Agencies P Ltd fully paid	2,72,58,686		2,72,58,686
ii) 550000 (P.Y 550000) Equity Shares of Rs.10/- each in Bannari Amman Flour Mill Limited	55,00,000		55,00,000
iii) 20000 Equity Shares of Rs.10/- each in SIMA Textile Processing Centre Limited	2,00,000		2,00,000
iv) 12902469 (PY 12902469) Equity Shares of Rs.10/- each in Bannari Amman Apparel P Ltd	14,19,27,159		14,19,27,159
Total	17,48,88,845		17,48,88,845
Aggregate cost of Quoted Investments	37,490		37,490
Aggregate market value of Quoted Investments	1,41,204		1,52,035
Aggregate provision for diminution in value of investment	Nil		Nil
Aggregate cost of unquoted Investments	17,48,88,845		17,48,88,845
Total (UNQUOTED & QUOTED)	17,49,26,335		17,49,26,335



PARTICULARS	As at 31.03.2012 ₹		As at 31.03.2011 ₹
13. Long Term Loans and Advances			
(a) Capital advances *			
Unsecured, considered good	2,64,44,703		8,21,47,587
(b) Security deposits			
Unsecured, considered good	4,11,92,528		4,34,45,756
(c) Loans and advances to related parties			
Unsecured, considered good	5,72,91,353		4,18,44,122
(d) Advance income tax (net of provisions)			
Unsecured considered good	5,19,64,439		1,66,43,237
(e) MAT credit entitlement # - Unsecured, considered good	18,16,34,650		18,15,94,919
Total	35,85,27,673		36,56,75,621
Note: Long-term loans and advances include amounts due from :			
Private companies in which any director is a director or member - Bannari Amman Apparel Private Limited	5,72,91,353		4,18,44,122
Total	5,72,91,353		4,18,44,122
14. Other Non Current Assets			
(a) Others			
(i) Receivables on sale of fixed assets	3,34,06,934		3,51,06,934
Total	3,34,06,934		3,51,06,934
15. Inventories			
(a) Raw materials	57,08,09,385		1,33,89,81,175
(b) Work-in-progress	10,20,32,839		8,31,15,785
(c) Finished goods (other than those acquired for trading)	28,44,07,191		53,44,78,421
(d) Stock-in-trade (acquired for trading)	2,44,65,517		-
(e) Stores and spares	1,05,46,362		2,83,00,494
Total	99,22,61,294		1,98,48,75,875



PARTICULARS	As at 31.03.2012 ₹		As at 31.03.2011 ₹
16. Trade Receivables			
Trade receivables outstanding for a period exceeding six months from the date they were due for payment			
Unsecured, considered good	1,18,47,951		4,57,105
Unsecured, considered good	31,43,31,431		36,88,00,906
Total	32,61,79,382		36,92,58,011
17. Cash and Cash Equivalents			
(a) Cash on hand	12,02,837		13,82,039
(b) Cheques, drafts on hand	87,83,554		95,30,000
(c) Balances with banks			
(i) In current accounts	11,31,00,565		2,67,18,859
(ii) In deposit accounts	10,54,644		1,50,00,000
Balances held as margin money or security against borrowings, guarantees and other commitments	5,62,035		13,13,394
(d) Others (Stamps)	660		340
Total	12,47,04,295		5,39,44,632
18. Short Term Loans and Advances			
(a) Loans and advances to related parties			
Unsecured, considered good	21,25,006		-
(b) Loans and advances to employees			
Unsecured, considered good	27,87,736		39,58,848
(c) Prepaid expenses - Unsecured, considered good	2,25,92,436		1,36,87,219
(d) Balances with government authorities			
Unsecured, considered good			
(i) CENVAT credit receivable	57,11,766		1,37,25,853
(ii) VAT credit receivable	4,41,341		20,62,095
(iii) Excise Duty Rebate receivable	1,15,95,064		69,85,572
(iv) Duty Drawback receivable	4,56,82,931		-
(e) Others (Advance for Purchase)			
Unsecured, considered good	5,02,22,617		2,87,60,719
(f) Advance income tax	6,36,487		3,89,46,006
Total	14,17,95,384		10,81,26,312



PARTICULARS	As at 31.03.2012 ₹		As at 31.03.2011 ₹
19. Other Current Assets			
(a) Unbilled revenue	68,07,972		1,20,23,956
(b) Others			
(i) Insurance claims	6,675		-
(ii) Receivables on sale of fixed assets/Investments	-		15,00,11,397
(iii) Contractually reimbursable expenses	-		1,06,87,453
(iv) Others (specify nature)	-		
TUF Subsidy Receivable	7,21,33,507		11,22,27,354
Total	7,89,48,154		28,49,50,160
PARTICULARS	Year Ended 31.03.2012 ₹		Year Ended 31.03.2011 ₹
20. Revenue from operations			
Sale of products (Refer Note (i) below)	4,49,28,64,580		5,35,02,98,910
Sale of services (Refer Note (ii) below)	79,24,213		33,95,470
Other operating revenues (Refer Note (iii) below)	9,64,61,865		10,11,92,975
Less : Excise duty	-		
Total	4,59,72,50,658		5,45,48,87,355
(i) Sale of products comprises			
Manufactured goods			
Yarn	3,24,98,48,626		4,25,52,90,025
Fabric	75,83,91,164		69,88,02,336
Power	70,59,068		-
Quick Dry	13,91,86,503		8,05,31,934
Flock Powder	11,58,290		23,93,133
Waste Cotton	32,72,13,750		25,19,08,705
Total - Sale of manufactured goods	4,48,28,57,401		5,28,89,26,133



PARTICULARS	Year Ended 31.03.2012 ₹		Year Ended 31.03.2011 ₹
Traded goods			
Yarn	1,00,07,179		6,13,72,777
Total - Sale of traded goods	1,00,07,179		6,13,72,777
Total - Sale of goods (Manufactured and Traded)	4,49,28,64,580		5,35,02,98,910
(ii) Sale of services comprises			
Lamination Charges/Coating Charges	79,24,213		33,95,470
Total - Sale of services	79,24,213		33,95,470
(iii) Other operating revenues comprise :			
Sale of scrap	22,51,415		12,12,314
Sale of Cotton Waste	-		8,69,46,672
Freight Charges	3,69,775		1,48,186
Forwarding & Baling Charges Collected	-		13,24,680
Discount Received	-		49,28,000
Duty drawback and other export incentives	9,17,47,944		49,39,329
Others - Sale of Certified Emission Reduction	20,92,731		16,93,794
Total - Other operating revenues	9,64,61,865		10,11,92,975
21. Other Income			
Interest income (Refer Note (i) below)	53,57,029		69,32,480
Dividend income :			
Others	91,742		34,53,157
Net gain on sale of :			
Current investments	-		13,21,30,160
Net gain on foreign currency transactions and translation (other than considered as finance cost)	9,74,744		5,50,757
Other non-operating income (net of expenses directly attributable to such income) (Refer Note (ii) below)	1,61,53,309		1,91,31,629
Total	2,25,76,824		16,21,98,183
Interest income comprises:			
(i) Interest from banks on:			
deposits	7,83,767		9,79,439
Interest on loans and advances	21,933		47,99,428
Interest on trade receivables	4,550		11,948
Interest on income tax refund	4,12,121		-
Interest on EB Deposit	41,34,658		11,41,665
Total - Interest income	53,57,029		69,32,480



PARTICULARS	Year Ended 31.03.2012 ₹	Year Ended 31.03.2011 ₹
(ii) Other non-operating income comprises:		
Rental income from operating leases	1,85,833	-
Profit on sale of fixed assets (net of expenses directly attributable Nil (Year ended 31 March, 2011 Nil)	1,59,67,476	1,90,67,153
Miscellaneous income	-	64,476
Total - Other non-operating income	1,61,53,309	1,91,31,629
22. Cost of materials consumed		
Opening stock		
Cotton	1,24,28,89,457	65,81,07,006
Chemicals	78,97,239	51,14,590
Fabric	1,23,91,351	74,48,681
Tow	1,15,78,386	36,72,308
Yarn	6,42,24,743	4,10,26,545
Add : Purchases		
Cotton	2,02,61,79,181	3,75,09,23,010
Chemicals	3,78,70,902	4,82,76,525
Fabric	10,12,28,634	7,82,84,634
Tow	2,52,30,064	3,82,71,308
Yarn	22,11,39,653	31,63,03,411
Less : Closing stock		
Cotton	49,22,21,318	1,24,28,89,457
Chemicals	89,65,277	78,97,239
Fabric	1,85,27,366	1,23,91,351
Tow	90,32,416	1,15,78,385
Yarn	4,20,63,008	6,42,24,743
Cost of material consumed	3,17,98,20,225	3,60,84,46,843
Material consumed comprises :		
Raw material - Cotton	2,77,68,47,320	3,16,61,40,559
Raw material - Tow & Grey Cut	2,77,76,034	3,03,65,231
Raw material - Yarn	24,33,01,388	29,31,05,213
Raw material - Fabric	9,54,92,883	7,33,41,964
Raw material - Chemicals	3,64,02,600	4,54,93,876
Total	3,17,98,20,225	3,60,84,46,843



PARTICULARS	Year Ended 31.03.2012 ₹		Year Ended 31.03.2011 ₹
23. Purchase of traded goods			
Traded good - Yarn	1,00,07,179		6,13,72,777
Total	1,00,07,179		6,13,72,777
24. Changes in inventories of finished goods, work-in-progress and stock-in-trade			
Inventories at the end of the year:			
Finished goods	28,44,07,191		53,44,78,421
Work-in-progress	10,20,32,839		8,31,15,785
Total	38,64,40,030		61,75,94,206
Inventories at the beginning of the year :			
Finished goods	53,44,78,421		14,94,30,658
Work-in-progress	8,31,15,785		5,85,49,894
Total	61,75,94,206		20,79,80,552
Net (increase) / decrease	23,11,54,176		-40,96,13,654
25. Employee benefits expenses			
Salaries and wages	14,11,81,023		12,11,11,832
Contributions to provident and other funds	98,58,452		75,19,468
Staff welfare expenses	3,86,71,802		3,95,12,197
Total	18,97,11,277		16,81,43,497
26. Finance costs			
(a) Interest expense on:			
(i) Borrowings	31,12,85,527		24,90,24,001
Others - Interest on Deposit from Customers	61,667		-
(b) Other borrowing costs	1,45,00,368		1,01,64,141
(c) Net (gain) / loss on foreign currency transactions and translation (considered as finance cost)	5,35,927		-18,96,500
Total	32,63,83,489		25,72,91,642



PARTICULARS	Year Ended 31.03.2012 ₹		Year Ended 31.03.2011 ₹
27. Other expenses			
Consumption of stores and spare parts	1,27,05,795		-
Manufacturing Expenses	1,23,79,329		1,20,54,606
Consumption of packing materials	6,16,32,980		6,06,83,564
Power and fuel	21,31,77,518		22,71,15,470
Water	2,88,685		-
Rent including lease rentals	26,73,810		34,10,867
Repairs and maintenance - Buildings	1,05,53,434		1,29,12,912
Repairs and maintenance - Machinery	9,62,29,756		12,96,48,999
Repairs and maintenance - Others	65,97,609		1,24,08,471
Insurance	1,20,59,352		88,18,560
Rates and taxes	1,63,44,009		1,32,24,361
Communication	46,85,221		42,26,756
Travelling and conveyance	1,45,78,685		1,34,29,286
Printing and stationery	29,26,621		25,30,526
Freight and forwarding	5,46,83,547		4,37,32,097
Sales commission	6,04,83,505		7,57,26,467
Sales discount	4,14,47,036		2,78,93,359
Hank Yarn Obligation	43,46,653		10,07,452
Business promotion	90,68,538		42,02,319
Donations and contributions	10,90,000		10,32,300
Legal and professional	77,91,669		46,64,409
Payments to auditors (Refer Note (i) below)	12,12,312		11,65,112
Bad trade and other receivables, loans and advances written off	24,45,463		1,55,18,835
Net loss on foreign currency transactions and translation (other than considered as finance cost)	-		2,06,16,248
Expenses on TNEB Infrastructure	-		2,32,87,176
Miscellaneous expenses	7,03,209		12,94,514
Total	65,01,04,736		72,06,04,666
(i) Payments to the auditors comprises (net of service tax input credit, where applicable) :			
As auditors - statutory audit	5,25,000		5,25,000
For taxation matters	3,65,357		3,93,687
For company law matters	88,240		-
For other services - Certification	2,14,965		2,46,425
Reimbursement of expenses	18,750		-
Total	12,12,312		11,65,112



NOTE - 1

Significant accounting policies

i. The accompanying Financial Statements have been prepared on a going concern basis under the historical cost convention on accrual basis of accounting in conformity with Generally Accepted Accounting Principles in India ("Indian GAAP") to comply with Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of Companies Act, 1956.

ii. Investments: Investments are carried individually 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 First in First out 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 carried at historical cost less accumulated depreciation. 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 other than Windmill Units at the rates prescribed in Schedule XIV to the Companies Act, 1956. In respect of Windmill assets, the depreciation has been provided on written down value basis at the rates prescribed in Schedule XIV to the Companies Act, 1956.

For assets costing ₹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. Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company are recognized as income or expense in the Statement of Profit and Loss.

vii. The exchange differences on restatement / settlement of long term foreign currency loans are accumulated in a "Foreign currency translation reserve" until repayment of the loan. "Foreign Currency Monetary item Translation difference Account" has been amortized as per notification G.S.R.225(E) of the Ministry of Corporate Affairs, Government of India dated 31.3.2009 as amended by notification G.S.R.913(E) dated 29.12.2011.

viii. 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).

- ix. Borrowing costs attributable to the acquisition, construction and installation of qualifying capital assets are capitalized till the period before they are put into use.
- x. The carrying value of assets at each balance sheet date is reviewed for impairment. If any indication of impairment exists the recoverable amount of such assets is estimated and appropriate provision 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.
- 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 relating to borrowing cost have been reduced from the borrowing cost thereby reducing the cost of the asset. Government grants relating 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.

Export benefits are accounted for in the year of exports based on the eligibility and there is no uncertainty in receiving the same.
- xiv. The Company has operated only one business segment which is textile segment and hence segment report is not furnished.
- xv. Provisions, Contingent liabilities and Contingent Assets: Provision is recognized only when there is a present obligation as a result of past event and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are shown by way of notes attached to and forming part of the Balance Sheet. Contingent Assets are neither recognized nor disclosed in the financial statements
- xvi. Assets leased by the Company in its capacity as lessee where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. Such leases are capitalized at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.
- xvii. Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. The lease rentals paid under such agreements are accounted in the profit and loss account.


28. Contingent Liability :

- (i) The amount of duty concession availed against the pending obligation (For import of capital goods under concessional customs duty linked to fulfillment of export obligations) for the year ended 31.03.2012 is ₹5184.61 Lakhs. (31.03.2011 - ₹5117.84 Lakhs).
- (ii) The Central Excise Department has demanded the Excise Duty rebate received by the company on account of Export of Yarn. The amount of demand is ₹59.09 Lakhs (31.03.2011 - ₹ 59.09).
29. Estimated amount of contracts to be executed on the capital accounts and not provided for amounts to ₹1136 Lakhs (31.03.2011 - ₹1120 Lakhs) approximately.
30. The funds raised by way of Public Issue have been fully utilized for the purposes for which it was raised.
31. The Company has not received information from its creditors regarding their status under the Micro, Small and Medium Enterprises Development Act 2006 and hence a disclosure relating to their outstanding amount and interest has not been given.
32. No amount is due for credit to Investor Education and Protection Fund.
33. Details of Foreign currency Exposures

Particulars	Outstanding foreign currency exposures as at 31.03.2012	Outstanding derivative instruments	Exposures not covered by derivative instruments
Cotton Import	\$ 18,20,021 (\$ 17,26,273)	NIL (\$ 17,26,273)	\$ 18,20,021 (Nil)
Machinery import	€ 2,33,856 (€ 4,01,476)	NIL (Nil)	€ 233,856 (€ 4,01,476)
Foreign Currency Loan	\$ 53,22,386 (\$ 78,16,894)	\$ 35,00,000 (\$ 40,00,000)	\$ 18,22,386 (\$ 38,16,894)
Export sales	\$ 8,85,434 (\$ 36,17,914)	NIL (Nil)	\$ 8,85,434 (\$ 36,17,914)
Export Sales	€ 24,327 (Nil)	NIL (Nil)	€ 24,327 (Nil)

(\$ - US Dollar, € - Euro)

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

34. Value of imports calculated on CIF basis (in Rupees):

Particulars	FY 2011-12	FY 2010-11
Raw Materials	18,22,00,454	24,56,01,417
Capital Goods & Spares	4,43,36,109	9,06,53,692


35. EXPENDITURE IN FOREIGN CURRENCY (in Rupees)

Nature of Expenses	FY 2011-12	FY 2010-11
Royalty, Know how, Professional/ Consultation Fees/Commission	2,56,61,263	NIL
Interest & Others	2,03,69,067	3,51,84,047
Traveling Expenses	55,48,026	18,62,538

36. EARNINGS IN FOREIGN EXCHANGE (in Rupees)

Particulars	FY 2011-12	FY 2010-11
Export of goods on FOB Basis	182,50,83,383	1,39,11,47,351

37. VALUE OF IMPORTED/INDIGENOUS MATERIALS CONSUMED

Particulars	FY 2011-12		FY 2010-11	
Raw Material	Value (₹)	%	Value (₹)	%
Cotton-Imported	13,14,89,141	4.74	29,49,61,741	9.32
Cotton-Indigenous	2,64,53,58,179	95.26	2,87,11,78,818	90.68
Yarn - Imported	-	-	-	-
Yarn - Indigenous	24,33,01,388	100.00	29,31,05,213	100.00
Nylon Tow - Import	27,37,130	9.85	87,73,443	28.89
Nylon Tow - Indigenous	2,50,38,905	90.15	2,15,91,787	71.11
Fabric - Imported	81,89,290	8.58	68,92,290	9.40
Fabric - Indigenous	8,73,03,593	91.42	6,64,49,674	90.60
Stores & Spares				
Imported	3,03,49,022	16.28	2,04,25,110	7.33
Indigenous	15,60,79,491	83.72	25,80,74,439	92.67
Chemicals				
Imported	-	-	-	-
Indigenous	3,64,02,600	100	4,54,93,876	100

38. Disclosure as per Clause 32 of the Listing Agreements with the Stock Exchanges
39. Details of Government Grants

Details	FY 2011-12	FY 2010-11
Interest subsidy under TUF Scheme (netted off with interest expenses)	12,93,88,446	14,40,90,580
Duty drawback and Other Export Incentives (recognized under Other operating revenues)	9,17,47,944	49,39,329



40. 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	FY 2011-12 (₹)	FY 2010-11 (₹)
Provident Fund	32,32,569	20,24,276
Family Pension Fund	26,21,483	25,52,691
Employees State Insurance	18,61,088	15,08,173
Employees Group Gratuity	38,87,395	32,92,662

41. Details of borrowing cost capitalized during the year under fixed assets – ₹51.43 Lakhs (31.03.2011 - ₹49.48 Lakhs).

42. I. Related Party Transactions :

Key Management Personnel	Sri S.V. Arumugam, Managing Director Sri S.K. Sundararaman, Executive Director
Relatives of Key Management Personnel	Sri A.Senthil Chief Executive Officer Son of Sri S.V.Arumugam
Related Party	Shiva Distilleries Limited Shiva Texyarn Limited Bannari Amman Sugars Limited Anamallais Automobiles (P) Ltd Annamallai Infrastructures Limited Shiva Cargo Movers Limited Bannari Amman Apparel P Limited Bannari Amman Flour Mill Limited Sakthi Murugan Transports Limited
Relationship	Enterprises in which the Key management Personnel or relatives have significant influence.


II. Related Party Transactions :

Nature of Transactions	Enterprises in which key management personnel or relative have significant influence		Outstanding as on 31.03.2012
Purchase of Yarn	₹68,32,200	(₹5,63,85,061)	NIL (Nil)
Sale of Yarn	₹2,89,69,420	(₹16,63,17,194)	
Sale of Fabric	₹NIL	(₹61,95,319)	
Purchase of Asset	₹NIL	(₹73,52,157)	
Sale of Asset	₹NIL	(₹2,08,000)	
Conversion Charges	₹65,74,260	(₹58,48,407)	
Rent Paid	₹7,08,540	(₹7,08,540)	
Purchase of Granite	₹NIL	(₹2,64,810)	
Purchase of Investments	₹NIL	(₹15,05,71,560)	
Sale of Investments	₹NIL	(₹15,41,36,571)	
Purchase of Cotton	₹27,78,816	(₹Nil)	
Sale of Waste Cotton	₹19,59,110	(₹Nil)	
Sale of Stores	₹63,492	(₹Nil)	
Maintenance Expenses	₹215,685	(₹Nil)	
Purchase of Stores and Spares	₹20,44,697	(₹Nil)	
Lease Rent Received	₹1,85,833	(₹Nil)	

43. Basic and Diluted Earnings per Share :

Details	FY 2011-12	FY 2010-11
Profit/(Loss) for the year attributable to Equity Share holders (Rs.)	-16,37,61,114	38,80,39,686
Weighted average number of Equity Shares.	1,57,54,269	1,57,54,269
Basic & Diluted Earnings per share (Rs.)	-10.39	24.63
Nominal Value of Share (Rs.)	10.00	10.00



BANNARI AMMAN SPINNING MILLS LTD

Basic and Diluted Earnings per Share – Excluding Extraordinary Items:

Details	FY 2011-12	FY 2010-11
Profit for the year attributable to Equity Share holders (Rs.)	-16,37,61,114	38,80,39,688
Add: Extraordinary items (net of tax)	NIL	16,69,05,849
Net profit / (loss) for the year from continuing operations attributable to the equity shareholders, excluding extraordinary items	-16,37,61,114	55,49,45,537
Weighted average number of Equity Shares.	1,57,54,269	1,57,54,269
Basic & Diluted Earnings per share (Rs.)	-10.39	35.23
Nominal Value of Share (Rs.)	10.00	10.00

44. The net deferred tax liabilities as at 31.03.2012 comprise the following as per the Accounting Standard 22.

Particulars	FY 2011-12	FY 2010-11
Deferred Tax Liability on A/c of Depreciation	77,23,23,717	78,56,61,892
Deferred Tax Assets on A/c of Carried forward unabsorbed depreciation.	38,23,14,437	21,88,64,060
Net Deferred Tax Liability	39,00,09,280	56,67,97,833

The Company has recognized deferred tax asset on unabsorbed depreciation and brought forward business losses based on the Management's estimates of future profits of the Company.

45. Disclosures regarding interest in Joint Venture - The Company has invested ₹1419.27 Lakhs (₹1419.27 Lakhs) in the equity shares of Bannari Amman Apparel Private Limited (A Joint venture of the Company) as on 31.03.2012. The company does not have any further capital commitment towards purchase of shares of the Joint venture entity. The company has paid ₹572.91 Lakhs (31.03.2011 - ₹418.44 Lakhs) towards share application money.



46. Details of interest in Joint Venture Company

Name of the Company	Country of incorporation	% of voting power held as on 31.3.2012	% of voting power held as on 31.3.2011
Bannari Amman Apparel Private Limited	India	33.33	33.33

The Proportionate interest of the Company in the Joint Venture entity as on 31.03.2012 is as under: (Rs in Lakhs)

Financial Year Ended	Assets	Liabilities	Contingent Liabilities	Income	Expenditure
31.03.2012*	2233.40	2365.42	Nil	2416.56	2825.82
31.03.2011	2767.42	2006.12	Nil	2544.33	2615.67

* Based on unaudited accounts for the year ended 2011-12.

47. Dividend is paid to non resident shareholders in Indian Rupee by crediting to their Rupee bank account.

48. The Revised Schedule VI has become effective from 1 April, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For **P N RAGHAVENDRA RAO & CO**
Chartered Accountants

P R VITTEL

Partner

Membership No. 200/18111

ICAI Firm Regn. No: 003328S

Coimbatore

30th May, 2012

S V ARUMUGAM

Chairman & Managing Director

S K SUNDARARAMAN

Executive Director

N KRISHNARAJ

Company Secretary


CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2012
(Rs. in Lakhs)

	31.03.2012	31.03.2011
I CASH FROM OPERATING ACTIVITIES		
Net Profit before taxation & Extraordinary items	-3,396.16	8,388.37
Adjustments for:		
Depreciation	3,722.63	3,720.03
Written off of TNEB Infrastructure	-	232.88
Interest income	-53.57	-69.32
Dividend income	-0.92	-34.53
Finance costs	3,263.83	2,591.88
Foreign Exchange Fluctuation	-	258.25
Profit / Loss on sale of asset	-159.67	-190.67
Profit / Loss on sale of investments	-	-1,321.30
	6,772.30	5,187.21
Operating profit before working capital changes	3,376.14	13,575.58
Debtors	430.79	-855.94
Inventories	9,926.15	-10,416.39
Other Current Assets	1,782.32	-1,131.73
Current Liabilities	915.76	1,954.50
	13,055.02	-10,449.55
Cash generation from operations	16,431.15	3,126.03
Add: income taxes refund received	20.15	-1,338.24
Net cash from operations	16,451.30	1,787.79
II CASH FROM INVESTING ACTIVITIES		
Purchase of fixed assets	-2,175.89	-7,459.07
Proceeds from sale of assets	190.79	313.65
Interest income	53.57	69.32
Dividend income	0.92	34.53
Purchase of Investments	-	-852.36
Proceeds from sale of investment	-	1,541.37
Decrease in Advance for Capital Expenses	-	2,503.34
	-1,930.60	-3,849.22



CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2012 (Contd...)

(Rs. in Lakhs)

	31.03.2012	31.03.2011
III CASH FROM FINANCING ACTIVITIES		
Decrease in long term borrowing IFST Loan	-	-168.31
Increase/decrease in short term borrowing	-5,789.51	6,903.57
Decrease in Long Term Borrowings	-4,371.81	-2,697.58
Interest paid	-3,284.37	-2,621.26
Dividend & Paid	-367.42	-276.48
	-13,813.10	1,139.94
Net (decrease)/increase in cash and cash equivalents	707.60	-921.49
Opening cash and bank balances	539.45	1,413.63
Closing cash and bank balances	1,247.04	492.15
Net (decrease)/increase in cash and cash equivalents	707.60	-921.49

For **P N RAGHAVENDRA RAO & CO**
Chartered Accountants

P R VITTEL
Partner
Membership No. 200/18111
ICAI Firm Regn. No: 003328S
Coimbatore
30th May, 2012

S V ARUMUGAM
Chairman & Managing Director

S K SUNDARARAMAN
Executive Director

N KRISHNARAJ
Company Secretary

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PLANT LOCATIONS :

Spinning Division

NaduKandanur Pirivu, Morepatty Post
Vadamadurai, Dindigul 624 802. Tamilnadu

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

Weaving Division

Karanampet - Paruvai Road
Paruvai Post, Coimbatore - 641 658

Technical / Flocking Division

Kovai – Sathy Main Road, Kunnathur Village
Ganesapuram Post, S S Kulam (Via)
Coimbatore - 641107

Windmill Division

Irukandurai & Dhanakarkulam Villages
Radhapuram Taluk
Tirunelveli District, Tamilnadu

Chinnapudur Village
Dharapuram Taluk
Erode District, Tamilnadu

Melkaraipatti & Kottathurai Villages
Palani Taluk
Dindigul District
Tamilnadu

Virugalpatti Village
Illuppanagaram Village
Udumelpet Taluk, Tirupur District
Tamilnadu

Garments Division

Palladam Hitech Weaving Park
Sukkampalayam Village
K N Puram (Po) Palladam- 641 662

Karanampet - Paruvai Road
Paruvai Post
Coimbatore - 641 658



BANNARI AMMAN
Spinning Mills Ltd

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