



# SRI NACHAMMAI COTTON MILLS LIMITED

46

Cash flow Statement	30.06.2015	30.06.2014
A. CASH FLOW FROM OPERATING ACTIVITIES	Rs.	Rs.
Net Profit before tax and extra-ordinary items	-6,063,729	35,770,109
<b>Adjustments for:</b>		
Depreciation	41,785,632	39,842,234
Interest Charged	68,078,625	61,913,960
Profit on Sale of Fixed Assets	-8,419,133	-14,529,422
Profit on sale of Investments	-3,267,000	-
Dividend Receipts	-28,400	-51,720
Interest Receipts	-3,515,017	-3,377,411
Operating profit before working capital changes	<u>90,670,977</u>	<u>119,567,750</u>
<b>Adjustments for Changes in:</b>		
Trade Receivables	9,527,130	-49,753,335
Inventories	9,061,589	-45,472,055
Other Non Current assets	86,012	-
Other current assets	1,423,764	-
Other current liabilities	-27,975,025	-
Trades Payable	-35,449,119	62,635,299
Long Term Provision	1,744,346	-
Short Term Provision	-23,160	-
Cash generated from operations	<u>48,966,514</u>	<u>86,977,659</u>
Add : Direct Taxes paid	52,931	999,269
Cash Flow from operating Activities	<u>49,019,445</u>	<u>85,978,390</u>
Extraordinary items		
Cash Flow after Extraordinary Items	<u>4,90,19,445</u>	<u>85,978,390</u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	-11,408,886	-14,894,699
Purchase of investment	-	-204,000
Interest Received	4,355,576	3,346,747
Sale of Fixed Assets	8,078,437	15,102,009
Dividend Received	28,400	51,720
Sale of Investments	4,026,000	-
Net Cash Flow from Investing Activities	<u>5,079,527</u>	<u>3,401,777</u>



# SRI NACHAMMAI COTTON MILLS LIMITED

47

## C. CASH FLOW FROM FINANCING ACTIVITIES

Long term Borrowings Repaid	-4,426,500	-23,436,348
Short Term Borrowings Repaid	-58,462,326	51,152,275
Interest paid	-68,078,626	-61,913,960
Dividend paid	-	-163,997
<b>Net Cash used in financing Activities</b>	<b>-130,967,451</b>	<b>-34,362,030</b>
<b>Net Changes in Cash and Cash Equivalent (A+B+C)</b>	<b>-76,868,478</b>	<b>55,018,137</b>
Cash and Cash Equivalents as at - Opening	92,063,755	37,045,618
Cash and Cash Equivalents as at - Closing	15,195,276	92,063,755
<b>Closing cash balance consists of the following:</b>		
Cash on Hand	54,753	76,134
Bank Balance:		
- In Current Accounts	1,800,641	978,789
- In Margin Money Deposit Account	13,339,981	91,008,832
<b>Total</b>	<b>15,195,276</b>	<b>92,063,755</b>

Previous Year comparatives have been reclassified to confirm to Current Year's presentation, wherever applicable.

This is the Cash Flow Statement referred to in our report of even date  
For M.S.JAGANNATHAN & VISVANATHAN  
Chartered Accountants,  
FRN 001209S

M.V.JEGANATHAN  
Partner,  
M.No. 214178

Salem  
27<sup>th</sup> August, 2015

P.PALANIAPPAN  
Chairman cum Managing Director  
DIN : 01577805

P.UMAYAL  
Joint Managing Director  
DIN : 00110280

A.SUBRAMANIAN  
Chief Financial Officer

CYNTHIA.S  
Company Secretary



# SRI NACHAMMAI COTTON MILLS LIMITED

48

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 30th JUNE, 2015

PARTICULARS	Note No	30.06.2015 Rs.	30.06.2014 Rs.
<b>REVENUE</b>			
Revenue from operations	20	1,822,200,164	1,827,535,588
Other income	21	16,115,357	20,345,143
<b>Total Revenue</b>		<b>1,638,315,521</b>	<b>1,847,880,731</b>
<b>EXPENSES</b>			
Cost of materials consumed	22	1,047,821,361	1,221,120,580
Changes in inventories of finished goods, work in process and stock in trade	23	-66,749,261	-93,768,124
Power and diesel consumed		236,835,473	222,776,553
Employee benefits expense	24	138,850,518	144,059,124
Finance costs	25	68,078,625	65,563,174
Depreciation	10	41,785,632	39,842,234
Lease rent		15,000,000	15,000,000
Conversion charges		18,883,015	17,819,557
Other expenses	26	143,873,887	179,697,524
<b>Total Expenses</b>		<b>1,644,379,250</b>	<b>1,812,110,622</b>
<b>Profit before tax</b>		<b>-6,063,729</b>	<b>35,770,109</b>
<b>Tax expense:</b>			
Deferred Tax (liability) / Assets		1,647,058	-9,010,145
Income Tax paid for prior year		-	-668,501
<b>Profit / (loss) after tax</b>		<b>-4,416,671</b>	<b>26,091,463</b>
<b>Earnings per equity share (Basic and Diluted)</b>		<b>-1.03</b>	<b>6.09</b>
<b>Nominal value of share</b>		<b>10</b>	<b>10</b>
<b>Significant Accounting Policies</b>	1		
<b>Additional information to financial statements</b>	27		
<b>See accompanying notes to financial statements</b>			

In terms of our report of even date  
For M.S.JAGANNATHAN & VISVANATHAN  
Chartered Accountants,  
FRN 001209S

M.V.JEGANATHAN  
Partner,  
M.No. 214178

Salem  
27<sup>th</sup> August, 2015

P.PALANIAPPAN  
Chairman cum Managing Director  
DIN : 01577805

P.UMAYAL  
Joint Managing Director  
DIN : 00110260

A.SUBRAMANIAN  
Chief Financial Officer

CYNTHIA.S  
Company Secretary



## SIGNIFICANT ACCOUNTING POLICIES

(In the order of applicability of Accounting Standards)

### AS - 1 Disclosure and Basis of Accounting

- a) The Financial Statements have been prepared under the Historical Cost Convention and is in accordance with the provisions of the Companies Act, 2013 and accounting principles generally accepted in India and comply with the Accounting Standards as prescribed under 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, provisions of the Companies Act, 2013 to the extent notified. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.
- b) The Company has been consistently following the accrual basis of accounting in respect of its Income and Expenditure.
- c) The Accounts are prepared on the basis of Going Concern concept only.

### AS - 2 Valuation of Inventories

Inventories are valued at lower of cost and net realizable value, where

- a) Cost of Raw materials is determined on specific identification method.
- b) Stock of stores, spares and packing materials is determined on weighted average method.
- c) Finished goods and work in progress is determined under FIFO method where cost includes conversion and other costs incurred in bringing the inventories to their present location and condition.

### AS - 3 Cash Flow Statement

Cash flows are reported using the indirect method, where by the profit before tax is adjusted for the effect of transactions of a non cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expense associated with investing or financing cash flows. Cash and cash equivalent include cash on hand and balances with banks in current and deposit accounts with necessary disclosure of cash and cash equivalent balances that are not available for use by the company.

### AS - 6 Depreciation Accounting

Depreciation on Fixed Assets has been provided as per Schedule II of the Companies Act, 2013 adopting the methods as under:

- i) On Assets acquired before 01.04.1990 - Written Down Value Method.
- ii) On Assets acquired from 01.04.1990 - Straight Line Method

The useful life of the fixed assets is adopted as specified in Part C of Schedule II of the Companies Act, 2013. For additions and deletions depreciation is provided on pro-rata basis.

### AS - 9 Revenue Recognition

- i) Revenue from sale transactions is recognized as and when the property in the goods sold is transferred to the buyer for a definite consideration. Revenue from service transactions are recognized on the completion of the contract at the contracted rate and when there is no uncertainty regarding the amount of consideration or collectability.
- ii) Other income except dividend is accounted on accrual basis.
- iii) Sales as reported are exclusive of Sales Tax (VAT), Insurance and Transport charges.

### AS - 10 Fixed Assets

The cost of fixed assets is shown at historical cost of acquisition including installation, commissioning less accumulated depreciation.

### AS - 11 Foreign Currency Transactions

Foreign currency transactions are recorded at the prevailing exchange rates at the time of initial recognition. Exchange differences are recognized as income or expense in the Profit and Loss Account. Outstanding balances of monetary items denominated in foreign currency are restated at closing exchange rates and recognized as income or expenses in the Profit and Loss Account in other cases.

The premium on discount arising at the inception of forward exchange contracts is accounted as income or expense over the life of the contract. Any profit or loss arising on cancellation or renewal exchange contract is recognized as income or as expense in the period in which they arise.

### AS - 13 Accounting for Investments

Long term investments are stated at cost. A provision for diminution, if any, is made to recognize a decline, other than temporary, in the value of long term investments.

### AS - 15 Employee Benefits

Short term employee benefits (other than termination benefits) which are payable within 12 months after the end of the period in which the employees render service are accounted on accrual basis.



# SRI NACHAMMAI COTTON MILLS LIMITED

## Defined Contribution Plans

Company's contributions paid / payable during the year to Provident Fund is recognized in the Profit and Loss Account.

## Defined Benefit Plans

Company's Liabilities towards gratuity is determined using the projected unit credit method which considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Past services are recognized on a straight line basis over the average period until the amended benefits becomes vested. Actuarial gains or losses are recognized immediately in the statement of Profit and Loss Account as income or expense. Obligation is measured at the present value of estimated future cash flows using a discounted rate.

## AS - 16 Borrowing Costs

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of cost of such assets. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognized as expenses in the period in which they are incurred.

## AS - 19 Lease

Lease, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating lease. Operating lease payments are recognized as an expense in the Profit and Loss Account on a straight-line basis over the lease term.

## AS - 20 Earnings per Share

The Earnings considered in ascertaining the Company's earnings per share comprise of Net Profit after tax.

## AS - 22 Accounting for taxes on Income

Deferred Tax resulting from timing differences between book and tax profits is accounted under liability method at enacted or substantively enacted rate as on the balance sheet date. Deferred tax asset, other than those arising on account of unabsorbed depreciation or carried forward of losses under tax loss, are recognised and carried forward subject to consideration of prudence only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized.

Deferred tax asset, arising on account of unabsorbed depreciation or carried forward of losses under tax loss, are recognised and carried forward subject to consideration of prudence only to the extent that there is virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realised.

Current tax is determined at the amount of tax payable in respect of estimated taxable income for the year.

## AS - 28 Impairment of Assets

An asset is impaired when the carrying amount of the assets exceeds its recoverable amount. An impairment loss is charged to the Profit and Loss account in the year in which an asset is identified as impaired. An impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of the recoverable amount.

## AS - 29 Provisions, Contingent liability and Contingent Assets

- Provisions involving degree of estimation in measurement are recognized 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 disclosed by way of notes to accounts. Provision is made if it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability.
- Contingent liability under various fiscal laws includes those in respect of which the Company / Department is in appeal.

## Others : Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liabilities as at the date of the financial statements and reported amount of revenues and expenses during the reporting period. Actual results could differ from these estimates. Any revision to the estimates is recognized prospectively.

## VAT

- The value of VAT benefits is being reduced from the value of purchase of materials.
- The value of benefits eligible in respect of Capital items is reduced from the cost and depreciation is calculated accordingly.



# SRI NACHAMMAI COTTON MILLS LIMITED

51

## Notes forming part of Financial Statements

2 Share Capital	Numbers	Numbers	In Rupees	
			Amount	Amount
<b>Authorised:</b>	30.6.2015	30.6.2014	30.6.2015	30.6.2014
Number and amount of Equity Shares	4,300,000	4,300,000	43,000,000	43,000,000
Number and amount of 0% Redeemable Pref. shares	1,500,000	1,500,000	150,000,000	150,000,000
<b>Issued:</b>				
Number and amount of Equity shares	4,300,000	4,300,000	43,000,000	43,000,000
Number and amount of 0% Redeemable Pref. shares	1,500,000	1,500,000	150,000,000	150,000,000
<b>Subscribed and Paid up:</b>				
Number and amount of Equity shares	4,300,000	4,300,000	43,000,000	43,000,000
Less : Calls in arrears	-	-	136,000	136,000
			42,864,000	42,864,000
Number and amount of 0% Redeemable Pref. shares	1,500,000	1,500,000	150,000,000	150,000,000
<b>Total</b>			<b>192,864,000</b>	<b>192,864,000</b>
Par value per Equity share (In Rs.)			10	10
Par value per Cumulative 10% Redeemable Pref. share (In Rs.)			100	100
<b>Reconciliation of number of shares</b>				
Number of Equity shares at the beginning	4,300,000	4,300,000		
Less : Adjustments during the year	-	-		
<b>Number of Equity shares at the end of the reporting period</b>	<b>4,300,000</b>	<b>4,300,000</b>		
<b>Reconciliation of Redeemable Pref. Shares</b>				
Redeemable Pref. Shares at the beginning	1,500,000	1,500,000		
Add : Issued during the year	-	-		
<b>Number of Redeemable Pref. shares at the end of the reporting period</b>	<b>1,500,000</b>	<b>1,500,000</b>		
<b>Shareholders holding more than 5 percent shares</b>	<b>No. of Equity Shares 2015</b>	<b>No. of Equity Shares 2014</b>	<b>No. of Pref. Shares 2015</b>	<b>No. of Pref. Shares 2014</b>
<b>Particulars</b>				
Shri P. Palaniappan (HUF)	613,556	584,736	-	-
Smt. P. Umayal	1,036,343	1,036,343	-	-
Smt. Geethanjali Ramasamy	398,981	398,981	-	-
Sri Rajubhandari	223,653	216,192	-	-
Shri P. Palaniappan	-	-	500,000	500,000
Smt. P. Umayal	-	-	1,000,000	1,000,000
<b>Shareholders holding more than 5 percent shares</b>	<b>% of Equity Shares</b>	<b>% of Pref. Shares</b>	<b>% of Pref. Shares</b>	<b>% of Pref. Shares</b>
<b>Particulars</b>	<b>Shares 2015</b>	<b>Shares 2014</b>	<b>Shares 2015</b>	<b>Shares 2014</b>
Shri P. Palaniappan (HUF)	14.27%	13.60%	-	-
Smt. P. Umayal	24.10%	24.10%	-	-
Smt. Geethanjali Ramasamy	9.28%	9.28%	-	-
Sri Rajubhandari	5.20%	5.03%	-	-
Shri P. Palaniappan	-	-	33.33%	33.33%
Smt. P. Umayal	-	-	66.67%	66.67%



## Notes forming part of Financial Statements (Contd...)

### Terms & Conditions of shares:

The Company has two class of shares namely Equity having a par value of Rs. 10/- and Preference having a par value of Rs. 100/- per share. Each Share holder is eligible for one vote per share.

In the event of liquidation, the Equity share holders are eligible to receive the remaining assets of the company after distribution of all preferential amounts in proportion of their share holding.

There are no shares allotted as fully paid without payments being received in cash, bonus shares or shares bought back in the immediately preceding 5 years.

The 0% Redeemable Preference shares are to be redeemed within a period of 13 years from the year of issue.

	Rupees	Rupees
<b>3 Reserves and Surplus</b>		
<b>Securities Premium Reserve</b>	30,62,015	30,62,014
As per last Balance Sheet	66,950,000	66,950,000
Less : Calls in arrears	-985,100	-985,100
<b>Closing balance</b>	<b>65,964,900</b>	<b>65,964,900</b>
<b>Surplus</b>		
As per last Balance Sheet	-54,722,670	-80,814,133
Less : Write down of carrying amount of assets whose remaining useful lives is Nil as per schedule II of the Companies Act, 2013	-16,947,517	-
Add : Transfer from Profit & Loss statement	-4,416,671	26,091,463
<b>Closing balance</b>	<b>-76,086,858</b>	<b>-54,722,670</b>
<b>Total</b>	<b>-10,121,958</b>	<b>11,242,230</b>
<b>4 Non current liabilities</b>		
<b>Long Term Borrowings</b>		
<b>Secured</b>		
Term Loan from Banks	83,815,000	116,835,000
<b>Unsecured</b>		
Loans and advances from Directors	140,595,500	23,644,000
Intercompany Deposits	55,792,500	92,917,500
Fixed deposits	-	51,233,000
<b>Total</b>	<b>280,203,000</b>	<b>284,629,500</b>

There is no case of continuing default as on the balance sheet date in repayment of loans and interest.

Term loans and non fund limits from Indian Overseas Bank are secured by first charge on entire block of assets, both present and future and the Company's Chairman cum Managing Director and Joint Managing Director have given personal guarantees for the above loans to the extent of Rs. 12.71 Crores.

Particulars	Outstanding amount	No of instalment	Interest %	Periodicity
<b>Indian Overseas Bank</b>				
TUF Loan I	3,920,000	1	12.05%	Quarterly
TUF Loan II	10,004,000	18	12.05%	Monthly
TUF Loan III	94,792,000	62	12.05%	Monthly
Term Loan II	776,000	18	12.05%	Monthly
Term Loan III	3,139,000	18	12.05%	Monthly
Term Loan IV	4,204,000	44	12.05%	Monthly



# SRI NACHAMMAI COTTON MILLS LIMITED

53

Notes forming part of Financial Statements (Contd...)

	In Rupees	
	Amount 30.6.2015	Amount 30.6.2014
<b>5 Long Term Provisions</b>		
Provision towards Gratuity	2,995,016	1,250,670
<b>Total</b>	<u>2,995,016</u>	<u>1,250,670</u>
<b>Current liabilities</b>		
<b>6 Short Term Borrowings</b>		
Secured		
Open Loan (Cash Credit)	231,929,141	231,815,031
Acceptances	131,187,236	189,763,673
<b>Total</b>	<u>363,116,377</u>	<u>421,578,704</u>
<p>There is no case of continuing default as on the balance sheet date in repayment of loans and interest.</p> <p>Working capital limits from Indian Overseas Bank are secured by first charge on entire block of assets, both present and future the Company's Chairman cum Managing Director and Joint Managing Director have given personal guarantees for the above loans to the extent of Rs. 46.20 Crores.</p>		
<b>7 Trade Payables</b>		
Due to Micro, Small & Medium Enterprises	390,172	282,358
Other Trade Payables	46,488,138	82,045,071
<b>Total</b>	<u>46,878,310</u>	<u>82,327,429</u>
<b>8 Other Current Liabilities</b>		
Current maturities of long term debt	33,020,000	44,967,600
<b>Others :</b>		
Liabilities for expenses	26,778,139	30,509,014
Liability towards statutory dues	3,901,839	4,351,300
Liability towards Employee benefits	61,083	42,925
Liability for other finance	764,911	12,630,159
<b>Total</b>	<u>64,525,972</u>	<u>92,500,998</u>
<b>9 Short-term provisions</b>		
Provision for Leave encashment	51,840	75,000
<b>Total</b>	<u>51,840</u>	<u>75,000</u>



# SRI NACHAMMAI COTTON MILLS LIMITED

Notes forming part of Financial Statements (contd.)

## 10. Fixed Assets

PARTICULARS	GROSS BLOCK						DEPRECIATION				NET BLOCK	
	As at 01.07.2014 Rs.	Additions Rs.	Sales / Transfer Rs.	As at 30.06.2015 Rs.	Up to 01.07.2014 Rs.	For the Year Rs.	With drawn Rs.	Transferred to retained Earnings Rs.	Up to 30.06.2015 Rs.	As at 30.06.2015 Rs.	As at 30.06.2014 Rs.	
<b>Tangible Assets</b>												
Land	3,129,392	-	1,656,867	1,472,525	-	-	-	-	-	1,472,525	3,129,392	
Buildings	73,823,720	-	-	73,823,720	35,878,336	1,907,432	-	-	37,785,768	38,037,952	37,945,364	
Machinery	610,645,798	6,058,358	-	616,704,156	443,122,402	35,208,322	-	22,858,501	501,189,225	115,514,931	167,523,396	
Electrical Machinery	59,892,887	101,000	-	59,993,887	41,499,053	3,916,551	-	1,168,496	46,584,100	13,409,787	18,393,834	
Computer	6,166,330	-	-	6,166,330	5,561,454	185,800	-	44,687	5,791,941	374,389	604,876	
Office equipments	773,012	-	-	773,012	633,141	3,195	-	112,026	748,362	24,650	139,871	
Furniture	2,722,186	163,400	-	2,885,586	2,344,724	65,307	-	126,425	2,536,456	349,130	377,462	
Tools	843,007	52,310	-	895,317	792,486	6,591	-	3,246	802,323	92,994	50,521	
Bandy	20,202	-	-	20,202	20,099	103	-	-	20,202	-	103	
Vehicles	5,975,126	33,000	54,565	5,953,561	4,506,948	492,331	52,128	212,693	5,159,844	793,717	1,468,178	
<b>Total Tangible Assets</b>	<b>763,991,660</b>	<b>6,408,068</b>	<b>1,711,432</b>	<b>768,688,296</b>	<b>534,358,643</b>	<b>41,785,632</b>	<b>52,128</b>	<b>24,526,074</b>	<b>600,618,221</b>	<b>168,070,075</b>	<b>229,633,017</b>	
<b>CAPITAL WORK IN PROGRESS:</b>												
Machinery Building	751,237,595	13,361,054	606,989	763,991,660	494,550,811	39,842,234	34,402	-	534,358,643	229,633,017	256,686,784	
Previous Year												





# SRI NACHAMMAI COTTON MILLS LIMITED

55

## Notes forming part of Financial Statements (Contd...)

	Face Value	Numbers		In Rupees	
		30.6.2015	30.6.2014	Amount 30.6.2015	Amount 30.6.2014
<b>11 Non Current Investments</b>					
Investments in Equity Instruments (At Cost)					
Non Trade (Quoted) Fully paidup					
Cholamandalam Investment & Finance Co. Limited	100	-	6600	-	759,000
Indian Overseas Bank	10	10600	10600	153,600	153,600
Non Trade (Quoted) Partly paidup					
Industrial Development Bank of India (Rs 5/- paid up)	10	17800	17800	650,000	650,000
Non Trade (Un quoted) Fully paidup					
Suryadev Alloys and Power Private Limited	10	1500	1500	204,000	204,000
<b>Total</b>				<b>1,007,600</b>	<b>1,766,600</b>
Aggregate value of Quoted Investments					
Cost				153,600	153,600
Market Value				392,200	3,418,430
Aggregate value of Un-Quoted Investments				204,000	204,000
<b>12 Deferred Tax Assets (Net)</b>					
Deferred Tax Assets : On account of carry forward of losses				32,608,634	32,807,547
On account of Gratuity				925,460	-
On account of 43B				920,511	-
<b>Total</b>				<b>34,454,605</b>	<b>32,807,547</b>
Deferred Tax Liability : On account of Depreciation				14,089,650	21,668,207
<b>Total</b>				<b>14,089,650</b>	<b>21,668,207</b>
<b>Net Deferred Tax Assets</b>				<b>20,364,955</b>	<b>11,139,340</b>
<b>13 Long-term loans and advances</b>					
(Unsecured, considered good)					
Security Deposits				7,349,997	8,136,819
Capital Advances				10,644,312	12,203,711
MAT Credit Entitlement				8,139,113	8,139,113
Advance tax (Net of Provisions - Rs Nil)				546,876	599,807
<b>Total</b>				<b>26,680,298</b>	<b>29,079,450</b>
<b>14 Other non Current Assets</b>					
Trade Receivables					
Outstanding for a period exceeding six months from the due date				4,685,273	4,771,285
<b>Total</b>				<b>4,685,273</b>	<b>4,771,285</b>
<b>Current Assets</b>					
Inventories (At lower of cost or net realisable value)					
Raw materials				85,527,442	158,957,120
Process Stock				40,211,201	49,622,434
Finished goods				358,552,359	281,040,435
Waste				2,491,534	3,842,964
Stores and spares etc.,				11,505,225	13,886,397
<b>Total</b>				<b>498,287,761</b>	<b>507,349,350</b>
Trade Receivables					
(Unsecured, considered good)					
Outstanding for a period exceeding six months from the due date				2,234,323	-
Others				152,786,842	130,802,621
<b>Total</b>				<b>155,021,165</b>	<b>130,802,621</b>



# SRI NACHAMMAI COTTON MILLS LIMITED

56

## Notes forming part of Financial Statements (Contd...)

	In Rupees	
	Amount 30.6.2015	Amount 30.6.2014
<b>17 Cash and bank balances</b>		
<b>Cash and cash equivalents</b>		
Balances with banks		
In Current Account	1,800,541	978,789
Cash on hand	54,753	76,134
<b>Other Bank Balances</b>		
Deposits held as Margin Money	13,339,981	91,008,832
<b>Total</b>	<b>15,195,275</b>	<b>92,063,755</b>
<b>18 Short-term loans and advances</b>		
(Unsecured, considered good)		
Advances recoverable in cash or in kind, or for value to be received	603,513	489,235
Advance for Purchases	40,261,442	72,116,683
Balance with Central Excise, Sales Tax, Customs etc	15,929	5,691
Prepaid expenses	1,317,172	985,900
<b>Total</b>	<b>42,198,056</b>	<b>73,597,509</b>
<b>19 Other current assets</b>		
Interest accrued on Bank Deposits	116,406	956,965
Income Receivable:		
TUF Subsidy Receivable	563,299	933,820
Insurance Claim Receivable	-	1,069,470
Bank yarn obligation receivable	140,916	124,689
<b>Total</b>	<b>820,621</b>	<b>3,084,944</b>
<b>20 Revenue from operations</b>		
Sale of products :		
Yarn	1,490,874,903	1,660,152,603
Fabric	119,843,123	151,776,033
Waste	11,482,138	15,606,952
<b>Total</b>	<b>1,622,200,164</b>	<b>1,827,535,588</b>
<b>21 Other income</b>		
Interest income	3,515,017	3,377,411
Insurance Claim Received	1,710,830	1,069,470
Dividend from long term investments	28,400	51,720
Profit on sale of assets	9,686,133	14,529,422
Miscellaneous receipts	1,174,977	1,317,120
<b>Total</b>	<b>16,115,357</b>	<b>20,345,143</b>
<b>22 Cost of materials consumed</b>		
Opening Stock	158,957,120	208,895,920
Raw material - Cotton	974,391,683	1,171,181,780
Add : Purchases (including expenses) - Cotton	1,133,348,809	1,380,077,700
Less : Closing Stock	85,527,442	158,957,120
Raw material - Cotton		
<b>Total</b>	<b>1,047,821,361</b>	<b>1,221,120,580</b>



# SRI NACHAMMAI COTTON MILLS LIMITED

57

## Notes forming part of Financial Statements (Contd...)

In Rupees

	Amount 30.6.2015	Amount 30.6.2014
<b>23 Changes in inventory of Finished Goods and WIP</b>		
Opening Stock		
Finished Goods - Yam	281,040,435	184,686,476
Process stock	49,622,434	52,789,644
Waste	3,842,964	3,261,589
<b>Total</b>	<b>334,505,833</b>	<b>240,737,709</b>
Closing Stock		
Finished Goods - Yam	358,552,359	281,040,435
Process stock	40,211,201	49,622,434
Waste	2,491,534	3,842,964
<b>Total</b>	<b>401,255,094</b>	<b>334,505,833</b>
Stock (Decrease) / Increase	66,749,261	93,768,124
<b>24 Employee Benefits Expenses</b>		
Salaries, wages and Bonus	110,380,589	116,283,788
Contribution to provident and other funds	9,173,249	7,000,650
Welfare expenses	16,195,800	17,417,516
Chairman cum Managing Director remuneration	1,534,484	1,529,484
Joint Managing Director remuneration	1,522,927	1,518,326
Whole Time Director remuneration	43,469	309,360
<b>Total</b>	<b>139,850,518</b>	<b>144,059,124</b>
<b>25 Finance cost</b>		
Interest expenses		
On bank loans	42,702,198	43,233,486
On loan from directors	8,852,532	781,962
On intercorporate deposit	8,096,577	9,234,343
On others	6,276,774	8,664,149
Bank charges	2,150,634	3,649,214
<b>Total</b>	<b>68,078,625</b>	<b>65,563,174</b>
<b>26 Other Expenses</b>		
Consumption of stores and spare parts	46,473,519	69,659,991
Consumption of packing materials	21,702,430	23,484,097
Repairs to buildings	14,843,646	19,795,814
Repairs to machinery	8,705,728	14,756,839
Repairs to others	12,594,697	15,641,002
Insurance	1,047,946	1,013,866
Taxes and taxes, excluding, taxes on income.	2,614,692	3,903,697
Legal and Professional charges	2,353,431	1,211,783
Stamp Duty	43,660	15,500
Exchange & Commission	12,840,302	18,787,294
Auditors Remuneration	157,965	152,822
Printing fees	86,000	61,000
Post paid	796,800	787,400
Foreign exchange fluctuation	7,430,445	3,188,596
Unaccounted expenses	12,382,426	7,229,823
<b>Total</b>	<b>143,873,887</b>	<b>179,697,524</b>



# SRI NACHAMMAI COTTON MILLS LIMITED

58

## 27 Additional Information to Financial Statements

	Rupees 30.06.2015	Rupees 30.6.2014
<b>1 Contingent Liabilities not provided for:</b>		
a) In respect of outstanding export obligation to export goods worth Rs. 29,81,28,764/- under EPCG Scheme in respect of various years from 2009, the company has fulfilled obligation to the extent of Rs. 3,87,79,016/- upto 30.06.2015.		
b) The Bank has given guarantees for Rs. 51,04,665/- (previous year - Rs. 51,70,630/-) towards payment of customs duty in respect of import of Machinery.		
c) Future Lease rental payable	37,50,000	50,00,000
d) The amount called up but not paid for IDBI Shares including interest	57,02,233	57,02,233
e) Some of the dismissed employees have appealed before the labour court for reinstating them along with back wages from the date of dismissal, which the company is contesting. As the quantum of liability, if any, is dependent on the orders to be passed no provision is made in the accounts as it has not reached finality.		
2 Interest in respect of partly paid shares is not presently ascertainable for the Current year and hence not included under IDBI partly paid shares.		
3 Estimated amount of contracts remaining to be executed on Capital account.	70,466,493	72,025,892
<b>4 Value of Imports : CIF Value</b>		
i) Raw Material	210,482,929	230,916,251
ii) Components and Spares	6,248,853	3,852,322
iii) Capital Goods	-	4,198,120
<b>5 Consumption</b>		
i) Raw Materials		
Imported	242,145,428 23.11%	177,283,413 16.92%
Indigenous	805,675,933 76.89%	870,537,948 83.08%
	<u>1,047,821,361</u>	<u>1,221,120,580</u>
ii) Spares & Components		
Imported	6,667,006 14.35%	2,548,373 3.66%
Indigenous	39,806,513 85.65%	67,111,618 96.34%
	<u>46,473,519</u>	<u>69,659,991</u>
<b>6 Expenditure in Foreign Currency on account of</b>		
Royalty	NIL	NIL
Sales Commission	NIL	NIL
Professional and Consultancy fees	NIL	NIL
Others	NIL	NIL



# SRI NACHAMMAI COTTON MILLS LIMITED

59

## Additional Information to Financial Statements (Contd...)

	Rupees 30.06.2015	Rupees 30.6.2014
<b>7 Amount remitted during the year in Foreign currencies</b>		
Number of Non-resident Shareholders	6	7
Number of shares held by them -		
On account of dividends	3,347	3,617
Year to which the Dividend relates	NIL	NIL
	NIL	NIL
<b>8 Earnings in Foreign exchange</b>		
Export of goods on FOB basis	NIL	NIL
<b>9 Auditors' Remuneration</b>		
Audit Fees	74,813	73,736
Tax Matters	21,375	21,068
Certificate Fees	50,562	50,282
Travelling Expenses	11,215	7,736
<b>Total</b>	<b>157,965</b>	<b>152,822</b>

10 Interest on Bank Loans is net of interest subsidy (TUF) amounting to Rs. 5,63,299/- (Previous year Rs. 13,47,837/-).

11 Income Tax Assessment upto A.Y. - 2012 - 2013 has been completed.

12 The information required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of the information available with the Company. There are no overdues to parties on accounts of principal amount, and / or interest and accordingly no additional disclosures have been made.

13 In the opinion of the Board of Directors, assets other than fixed assets have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated.

14 Balances of certain sundry debtors, advances and sundry creditors are subject to confirmation / reconciliation, as the Company has received replies only from few parties for the confirmation statements sent by the Company. The adjustments thereof, if any, having an impact of revenue nature will be made in the year in which the same are finalized and settled.

## Disclosures as required under Accounting Standards

### 15 Gratuity Disclosure (AS-15)

Financial year of valuation	Gratuity Funded		
	30.06.2015	30.06.2014	30.06.2013
<b>A. Movements during the financial year (For definitions of 2,3,4,5 &amp; 9 below refer AS</b>			
1 Movement period in years	1	1	1
2 Present Value of Benefit Obligations as at beginning of the period in Rs.	13,667,996	12,104,103	11,985,153
3 Interest Cost assuming that claims paid in middle of financial year	1,202,784	968,328	905,510
4 Current service cost in Rs.	696,638	805,209	983,013
5 Past Service cost in Rs.	-	-	-
6 Curtailment cost/(credit) in Rs. (refer Para 110-116 of AS 15 (revised 2006))	-	-	-
7 Settlement cost/(credit) in Rs. (refer Para 110-116 of AS 15 (revised 2006))	-	-	-
8 Benefits paid in Rs.	-3,513,194	908,709	1,358,690
9 Actuarial gains/loss on benefit obligations (experience Adjustment) in Rs.	1,299,667	-698,064	-410,883
10 Present Value of Benefit Obligations as at the end of the period in Rs.	13,343,891	13,667,996	12,104,103
(9)-(10)-(2)-(3)-(4)-(5)-(6)-(7)+(8) Note: Actuarial gain/loss is the balancing item.			



# SRI NACHAMMAI COTTON MILLS LIMITED

60

## Additional Information to Financial Statements (Contd...)

Defined Benefit Plans		Gratuity Funded		
		30.06.2015	30.06.2014	30.06.2013
1	Financial year of valuation			
<b>B</b>	<b>Movements in respect of Plan Assets during the valuation year</b>			
1	Fair value of Plan Assets at the beginning In Rs.	12,417,326	12,154,769	12,294,928
2	Expected rate of return on Plan Assets per unit (see Part I C 3)	0.09	0.09	0.0925
3	Expected rate of return on Plan Assets assuming that movements occur in mid year	1,117,599	1,124,316	1,080,491
4	Contributions received during the financial year	144,092	100,987	103,033
5	Benefits paid (claims settled)	-3,513,194	906,709	1,358,690
6	Actuarial Gain/Loss on plan assets in Rs.	183,092	-54,037	35,007
	A6 = A7-A1-A3-A4+A5 is the balancing item			
7	Fair value Plan Assets at the end of the Financial year in Rs.	10,348,875	12,417,326	12,154,769
<b>C</b>	<b>Net Actuarial Gain/Loss recognised in the Financial Year in Rs.</b>			
1	Actuarial Gain/Loss on Benefit Obligations In Rs.	1,299,667	-699,064	-410,883
2	Actuarial Gain/Loss on plan assets in Rs.	-183,092	54,037	35,007
3	Net Actuarial Gain/Loss recognised in the Financial Year in Rs. B3 = B1-B2	1,116,575	753,102	-445,890
<b>D</b>	<b>Expenses recognised in the Profit and Loss Account</b>			
1	Interest cost on Benefit Obligations	1,202,784	968,328	905,510
2	Current Service cost on Benefit Obligations	686,638	805,209	983,013
3	Past Service cost on Benefit Obligations	-	-	-
4	Curtailment cost / (credit)	-	-	-
5	Settlement cost/(credit)	-	-	-
6	Expected return on Plan Assets	1,117,599	1,124,316	1,080,491
7	Net Actuarial Gain/Loss recognised in the Financial Year in Rs.	1,116,575	753,102	-445,890
8	Effect of limit as per para 59(b) read with para 61(g) of AS 15 R	-	-	-
9	Expenses recognised in the Profit and Loss Account	1,888,438	1,402,323	362,142
	C9 = C1+C2+C3+C4+C5-C6+C7			
<b>E</b>	<b>Liability recognised in the Balance Sheet</b>			
1	Actuarial Present value of Benefit Obligations at the end of the financial year in Rs.	13,343,891	13,687,996	12,104,103
2	Fair value of Plan Assets at the end of the Financial year in Rs.	10,348,875	12,417,326	12,154,769
3	Funded Status at the end of the financial year in Rs.	-2,995,016	-1,250,670	50,666
4	Present value of future reduction under para 59 (b) of AS 15 R (net asset to be recognised as per para 59 of AS 15 R)	-	-	-
<b>F</b>				
1	Expected return on Plan Assets (part III A3 above) in Rs.	1,117,599	1,124,316	1,080,491
2	Actuarial Gain/Loss on plan assets (part III B2) in Rs.	183,092	-54,037	35,007
3	Actual return on Plan assets (E1+E2) in Rs.	1,300,651	1,070,279	1,115,498
<b>G</b>	<b>Balance Sheet Reconciliation</b>			
1	Expenses recognised C9	1,888,438	1,402,323	362,142
2	Add unfunded liability at the beginning of the financial year in Rs.	-2,995,016	-1,250,670	-50,666
3	Less contribution received A4	144,092	100,987	103,033
4	Closing unfunded Status =F1+F2+F3 = -D4	-2,995,016	-1,250,670	50,666



# SRI NACHAMMAI COTTON MILLS LIMITED

61

## Additional Information to Financial Statements (Contd...)

### 2 Assumptions:

(a) Interest Rate for discount per unit per annum	0.08	0.08	0.08
(b) Salary escalation rate per unit per annum	0.02	0.03	0.05
(c) Mortality Rate	LIC 1994-96 Rates		
(d) Attrition Rate	No explicit assumption		
(e) Disability / ill health retirement	No explicit assumption		

3 i The estimates of salary escalation considered in Actuarial valuation takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market.

### ii. Defined Contribution Plans

Provident Fund Contributions (Rs.)	4,668,193	3,659,899	3,261,658
------------------------------------	-----------	-----------	-----------

### 16 Segment Report (AS-17)

As the Company operates under single segment related to Textiles, segment reporting is not applicable to the Company for the year under review.

### 17 Related Party Disclosure (AS-18) (as identified by the Management)

#### I) Names of related parties and description of relationship

- |   |   |  |
|---|---|--|
| a) Enterprises in which KMP along with their relatives have significant influence | : | Supreme Yarn Spinners Ltd.<br>Raja Yarns Private Limited   |
| b) Key Management Personnel   | : | 1. Shri P.Palaniappan, Chairman cum Managing Director<br>2. Smt. P.Umayal, Joint Managing Director.                                  |
| c) Relatives of Key Management Personnel  | : | 1. Smt. Geethanjali Ramasamy<br>2. Smt. RM.Umayal<br>3. Shri MC.Ramasamy<br>4. Shri P.Palaniappan (HUF)<br>5. Shri MC.Ramasamy (HUF) |

#### II) Related Party Transactions

Nature of Transactions	Enterprises in which KMP along with their relatives have significant influence		Key Management Personnel (Rs.In lacs)		Relatives of Key Management Personnel (Rs.In lacs)	
	30.06.15	30.06.14	30.06.15	30.06.14	30.06.15	30.06.14
Corporate Loan taken						
Raja Yarns Private Limited	59,458,140	23,986,000	-	-	-	-
Supreme Yarn Spinners Limited	4,530,000	1,750,000	-	-	-	-
Corporate Loan Repaid						
Raja Yarns Private Limited	59,858,140	19,243,000	-	-	-	-
Supreme Yarn Spinners Limited	255,000	-	-	-	-	-
Unsecured Loan taken						
Shri P.Palaniappan	-	-	106,358,000	1,694,000	-	-
Smt.P.Umayal	-	-	28,478,000	1,559,000	-	-
Others	-	-	-	-	130,000	145,000
Unsecured Loan Repaid						
Shri P.Palaniappan	-	-	4,965,500	180,000	-	-
Smt.P.Umayal	-	-	1,073,000	3,074,000	-	-
Others	-	-	-	-	976,000	1,550,000
Fixed Deposits Received						
Shri P.Palaniappan(HUF)	-	-	-	-	-	49,339,000
Others	-	-	-	-	-	2,810,000





# SRI NACHAMMAI COTTON MILLS LIMITED

62

## Additional Information to Financial Statements (Contd...)

Nature of Transactions	Enterprises in which KMP along with their relatives have significant influence		Key Management Personnel (Rs.in lacs)		Relatives of Key Management Personnel (Rs.in lacs)	
	30.06.15	30.06.14	30.06.15	30.06.14	30.06.15	30.06.14
Fixed Deposits Repaid						
Shri P.Palanisappan (HUF)	-	-	-	-	43,331,000	-
Shri MC.Ramasamy (HUF)	-	-	-	-	1,845,000	-
Others	-	-	-	-	528,000	-
Rendering of Services						
Supreme Yam Spinners Ltd	242,541	471,408	-	-	-	-
Sale of Assets						
Smt.R.Geethanjali	-	-	-	-	-	15,100,000
Sale of Investments						
Shri MC.Ramasamy	-	-	-	-	4,026,000	-
Lease Rent Paid						
Supreme Yam Spinners Ltd	15,000,000	15,000,000	-	-	-	-
Managerial Remuneration						
Shri P.Palanisappan	-	-	1,634,484	1,529,484	-	-
Smt. P.Umayal	-	-	1,522,927	1,518,326	-	-
Sitting Fees paid						
Smt. RM.Umayal	-	-	-	-	6,000	10,000
Interest Paid on Unsecured Loans						
Raja Yarn Private Limited	7,798,611	9,189,120	-	-	-	-
Supreme Yam Spinners Limited	388,966	45,223	-	-	-	-
Shri P.Palanisappan	-	-	4,865,790	63,854	-	-
Smt. P.Umayal	-	-	3,030,475	656,256	-	-
Others	-	-	-	-	122,484	61,872
Interest Paid on Fixed Deposits						
Shri P.Palanisappan(HUF)	-	-	-	-	3,457,430	4,438,840
Shri MC.Ramasamy(HUF)	-	-	-	-	131,341	201,210
Others	-	-	-	-	42,167	57,242
Outstanding payables as on 30th June						
Raja Yarn Private Limited	49,787,508	91,167,500	-	-	-	-
Supreme Yam Spinners Limited	6,025,000	1,750,000	-	-	-	-
Shri P.Palanisappan	-	-	97,990,500	2,588,000	-	-
Smt. P.Umayal	-	-	37,805,000	10,200,000	-	-
Others	-	-	-	-	-	846,000
Shri P.Palanisappan(HUF)	-	-	-	-	-	43,326,000
Others	-	-	-	-	-	2,423,000
Outstanding Receivable as on 30th June	NIL	NIL	NIL	NIL	NIL	NIL

### 18 Lease Disclosures (AS-19)

30.06.2015                      30.06.2014

- a) The Company has taken the entire Fixed Assets of Supreme Yam Spinners Limited under cancelable operating leases, which are normally renewed on expiry.
- b) Future minimum lease rent payable is as follows:
- |   |           |           |
|---|-----------|-----------|
| Not later than one year                       | 37,50,000 | 50,00,000 |
| Later than one year but not more than 5 years | -         | -         |
| More than 5 years                             | -         | -         |



# SRI NACHAMMAI COTTON MILLS LIMITED

63

## Additional Information To Financial Statements (Contd...)

		Rupees		Rupees	
<b>19 Earnings Per Share (AS-20)</b>					
Net Profit / (Loss) after tax		-4,416,668		26,091,463	
Weighted average No. of Equity Shares		4,286,400		4,286,400	
Nominal value of shares		10		10	
Basic and diluted Earnings per share		-1.03		6.09	
<b>20 Deferred Tax Liability / (Asset) (AS-22)</b>					
	Opening As on 01.07.2014	Adjustments for the year	Adjustments on account of Schedule II Application	Closing As on 30.06.2015	
<b>Deferred Tax Liability</b>					
On Depreciation		21,668,207	-	-7,578,557	14,089,650
		<u>21,668,207</u>	<u>-</u>	<u>-7,578,557</u>	<u>14,089,650</u>
<b>Deferred Tax Asset</b>					
On account of carry forward of Losses		32,807,547	-198,913	-	32,608,634
On account of Gratuity		-	925,460	-	925,460
On account of 43B		-	920,511	-	920,511
		<u>32,807,547</u>	<u>1,647,058</u>	<u>-</u>	<u>34,454,605</u>
<b>Net Deferred Tax Liability/(Asset)</b>		<u>11,139,340</u>	<u>1,647,058</u>	<u>7,578,557</u>	<u>20,364,955</u>

**21 Disclosure as required under listing agreement**  
Statement of loans and advances to associates: (As required under Clause 32 of listing agreement with the Stock Exchange)  
To associates: Rs. NIL

**22 (a)** There are no derivative financial instruments either for hedging or for speculation outstanding as at the Balance Sheet date.  
**(b)** Foreign currency exposures that are not hedged by a derivative instrument or otherwise are as under:

Particulars	Currency	Amount in Foreign Currency		Equivalent amount - Rs.	
		30.06.2015	30.06.2014	30.06.2015	30.06.2014
Sundry Debtors	EURO	4,433	-	322,048	-
Sundry Creditors	USD	2,017,263	1,048,042	128,321,118	63,228,390

**23** Consequent to the enactment of the Companies Act, 2013 and its applicability for accounting periods commencing from 1st April 2014, the company has reassessed the remaining useful life of fixed assets in accordance with the provisions prescribed under schedule II to the Companies Act, 2013. In case of assets which have completed their useful life, the carrying value (net of residual life) as at 1st April 2014, was Rs.24526074/-, out of which Rs.16947517/- was transferred to Retained Earnings after considering Rs.7578557/- under deferred tax. In case of other assets the carrying value (net of residual value) is being depreciated under Straight line method and WDV method as applicable to the respective assets over the revised remaining useful life. The depreciation and amortization expense charge for the year would have been lower by Rs. 3840527/- had the company continued with the previous method of depreciation.

**24** Previous year's figures have been regrouped and reclassified wherever necessary to correspond with the current year's classification / disclosure.

In terms of our report of even date  
For M.S.JAGANNATHAN & VISVANATHAN  
Chartered Accountants, FRN 001209S

M.V.JEGANATHAN  
Partner, M.No. 214178

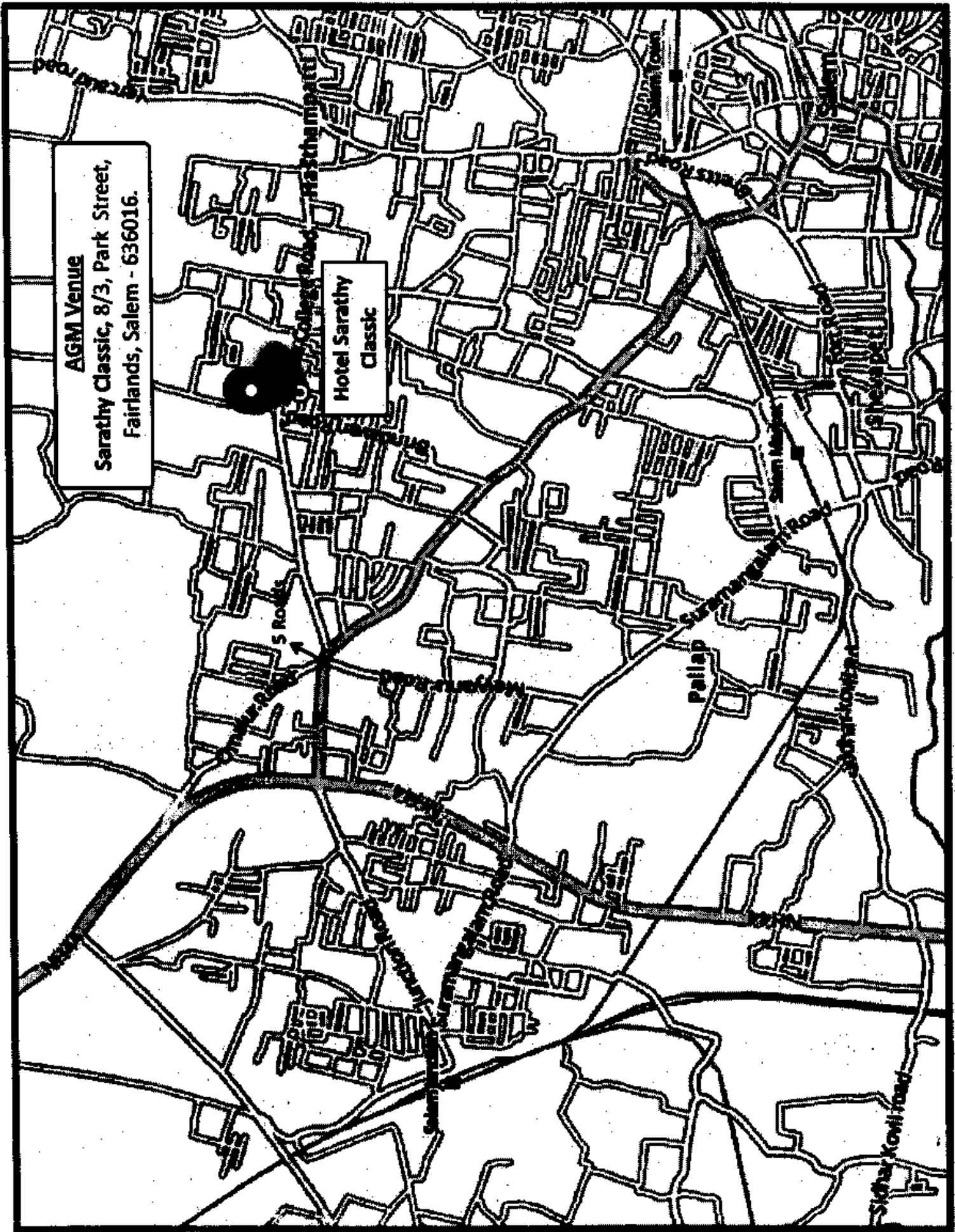
Salem  
27<sup>th</sup> August, 2015

P.PALANIAPPAN  
Chairman cum Managing Director, DIN : 01577805

P.UMAYAL  
Joint Managing Director, DIN : 00110260

A.SUBRAMANIAN  
Chief Financial Officer

CYNTHIA.S  
Company Secretary



**AGM Venue**  
Saraty Classic, 8/3, Park Street,  
Fairlands, Salem - 636016.

**Hotel Sarathy  
Classic**

College Road

Pallap

Sighar Kothi Road



# SRI NACHAMMAI COTTON MILLS LIMITED

Registered Office: 30, Sugavaneswara Road, Balaji Nagar, SALEM 636 004.

CIN No. L17115TZ1980PLC000916

## ATTENDANCE SLIP - AGM on 15<sup>th</sup> December, 2015

Folio No. .... DP ID No. .... Client ID No. ....  
 Name of the Member ..... Signature .....  
 Name of the Proxy holder ..... Signature .....

I/we hereby record my / our presence at the Annual General Meeting to the Company to be held on Tuesday, December 15<sup>th</sup>, 2015 at 10.45 A.M at Hotel Sarathy Classic, 8/3, Park Street, Fairlands, Salem - 636 016.

PLEASE CUT HERE AND BRING THE ABOVE ATTENDANCE SLIP TO THE MEETING HALL.

Form No. MGT - 11

### PROXY FORM

(Pursuant to Section 105 (6) of the Companies Act, 2013 and rule 19 (3) of the Companies (Management and Administration) Rules, 2014)

CIN No	L17115TZ1980PLC000916
Name of the Company	Sri Nachammai Cotton Mills Limited
Registered Office :	30, Sugavaneswara Road, Balaji Nagar, Salem - 636 004.

Name of the Shareholder	
Registered Address	
E-mail ID	
Folio No/Client ID	
DP ID	

Name of the Shareholder	
Registered Address	
E-mail ID	
Folio No/Client ID	
DP ID	

Name of the Shareholder	
Registered Address	
E-mail ID	
Folio No/Client ID	
DP ID	

I/we hereby declare and authorise Mr/Mrs. \_\_\_\_\_ as my/our proxy to attend and vote on behalf for me/us at the 35<sup>th</sup> Annual General Meeting of the Company, be held on Tuesday the 15<sup>th</sup> December, 2015 at 10.45 A.M at Hotel Sarathy Classic, 8/3, Park Street, Fairlands, Salem - 636016 and at any adjournment thereof in respect of such resolutions as are indicated below: Put a tick mark for the resolutions (✓)

Resolutions -- Ordinary Business	Yes	No
1. To consider and adopt the Audited Balance Sheet, Statement of Profit and Loss Account and Cash Flow Statement as at 30 <sup>th</sup> June 2015, Report of Board of Directors and Auditors thereon		
2. To Appoint a Director in the place of Sri. A. Annamalai who retires by rotation and being eligible, offers himself for re-appointment		
3. To appoint Auditors and fix their remuneration		
4. To Ratify the remuneration paid to Cost Auditor		
5. To Appoint Sri A. Anunkumar as a Director of the Company		
<b>Special Business</b>		
6. To ratify the variation of terms and conditions of Preference Shares		
7. To Alter the Memorandum of Association of the Company		
8. To Alter the Articles of Association of the Company		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2015.

Signature of the Shareholder :

Signature of Proxy holder(s) :

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

Affix  
Re. 1  
Revenue  
Stamp

BOOK - POST

TO

If undelivered, please return to :  
**SRI NACHAMMAI COTTON MILLS LIMITED,**  
Registered Office : 30, Sugavaneswara Road,  
Balaji Nagar, Salem - 636 004.