



BANNARI AMMAN
Spinning Mills Ltd.



20th
Annual Report
2010

**BOARD OF DIRECTORS**

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

AUDITORS

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

INTERNAL AUDITORS

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

COMPANY SECRETARY

Sri N Krishnaraj

REGISTERED OFFICE

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

BANKERS

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

SPINNING DIVISION

Nadukandamur Pirivu
Morepatty Post
Vadamadurai, Dindigul - 624 802
Tamilnadu

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

TECHNICAL TEXTILE DIVISION

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

WEAVING DIVISION

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

WINDMILL DIVISION

Irukandurai & Dhanakarkulam
Villages, Radhapuram Taluk
Tirunelveli District, Tamilnadu

Chinnapudur Village
Dharapuram Taluk, Erode District
Tamilnadu

Melkaraipatti & Kottathurai
Villages, Palani Taluk
Dindigul District, Tamilnadu



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**NOTICE TO SHAREHOLDERS**

NOTICE is hereby given that the 20th Annual General Meeting of the Members of the Company will be held at Nani Kalai Arangam, Mani Higher Secondary School, Pappanaickenpalayam, Coimbatore - 641 037 on the 20th day of September 2010 at 10.15 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, 2010 and the Profit and Loss Account for the year ended on that date together with the reports of the Directors' and the Auditors thereon.
2. To declare Dividend.
3. To appoint a Director in the place of Sri K N V Ramani, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in the place of Sri S Palaniswami, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in the place of Dr K R Thilainathan, who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESSES

7. To consider and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution:
RESOLVED that pursuant to Sections 198, 269 and 309 read with Schedule XIII and other applicable provisions of the Companies Act, 1956, the approval of the shareholders be and is hereby accorded to the Board of Directors for appointment and payment of remuneration to Sri S V Arumugam, Managing Director with effect from 27.06.2010 for a further period of 5 years, as detailed below:

SALARY : Rs. 3,00,000/- per month (Rupees Three Lakhs only).

PERQUISITES :

- (A) Contribution to Provident Fund to the extent not taxable under the Income Tax Act, 1961.
- (B) Gratuity at the rate of half a month's salary for each completed year of service, payable from the tenure of his first appointment.
- (C) Encashment of leave at the end of the tenure as per the rules of the Company.

OTHER PERQUISITES :

As may be decided by the Board of Directors payable in cash or kind for aggregate value not exceeding annual salary.

If in any Financial Year, the perquisites stated above are not availed in full, the unavailed portion thereof may be encashed at the end of the year or carried over to be availed in any subsequent year or at the end of the term, either by encashment or by availing of the perquisite.

COMMISSION :

3% of the Net Profits of the Company, subject to the maximum ceiling specified in Section I of Part II of Schedule XIII to the Companies Act, 1956.



MINIMUM REMUNERATION:

Where in any financial year, during the tenure of appointment of the Managing Director, the Company has no profits or if profits are inadequate it may pay him remuneration by way of salary and perquisites up to the amounts listed above, subject to the limit as per scale of remuneration prescribed in Clause 1 (A) of Section II of Part II in Schedule XIII of the Companies Act, 1956.

8. To consider and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution:
RESOLVED that pursuant to Sections 198, 269 and 309 read with Schedule XIII and other applicable provisions of the Companies Act, 1956, the approval of the shareholders be and is hereby accorded to the Board of Directors for appointment and payment of remuneration to Sri S K Sundararaman, Executive Director with effect from 27.06.2010 for a further period of 5 years, as detailed below:

SALARY : Rs.2,00,000/- per month (Rupees Two Lakhs only).

PERQUISITES :

- (A) Contribution to Provident Fund to the extent not taxable under the Income Tax Act, 1961.
- (B) Gratuity at the rate of half a month's salary for each completed year of service, payable from the tenure of his first appointment.
- (C) Encashment of leave at the end of the tenure as per the rules of the Company.

OTHER PERQUISITES:

As may be decided by the Board of Directors payable in cash or kind for aggregate value not exceeding annual salary.

If in any Financial Year, the perquisites stated above are not availed in full, the unavailed portion thereof may be encashed at the end of the year or carried over to be availed in any subsequent year or at the end of the term, either by encashment or by availing of the perquisite.

COMMISSION :

2% of the Net Profits of the Company, subject to the maximum ceiling specified in Section I of Part II of Schedule XIII to the Companies Act, 1956.

MINIMUM REMUNERATION

Where in any financial year, during the tenure of appointment of the Executive Director, the Company has no profits or if profits are inadequate it may pay him remuneration by way of salary and perquisites up to the amounts listed above, subject to the limit as per scale of remuneration prescribed in Clause 1 (A) of Section II of Part II in Schedule XIII of the Companies Act, 1956.

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 15.09.2010 to 20.09.2010 (both days inclusive).
4. The dividend, if declared, will be paid to those members whose names appear on the Register of Members of the Company as on 20.09.2010. In respect of dematerialized shares, dividend will be paid on the basis of the beneficial ownership furnished by the National Security Depository Limited and Central Depository Services (India) Limited at the end of the business hours on 14.09.2010.



5. The dividend remaining unclaimed for a period of 7 years will be transferred to Investor Education and Protection Fund established under Section 205C of the Companies Act, 1956 on the respective due dates, upon such transfer, no claim shall lie against the company or the Central Government for such unclaimed dividend.
6. The relevant explanatory statement pursuant to Section 173 of the Companies Act, 1956 in respect of the special businesses under items 7 and 8 is annexed.
7. Members are requested to bring their copy of the Annual Report along with them to the meeting.

Coimbatore
27th May, 2010

BY ORDER OF THE BOARD
S V BALASUBRAMANIAM
Chairman

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

The term of office of Sri S V Arumugam, Managing Director of the Company will expire on 26.06.2010. He is associated with the Textile Industry about 25 years. Under his stewardship, the Company has grown from strength to strength and has achieved the status of one of the most reputed Companies in the textile industry. Considering the Increase in the volume of business, duties and responsibilities on account of the implementation of the expansion and modernisation projects and the commendable performance achieved by the Company during his tenure of office, the Board of Directors have proposed to re-appoint Sri S V Arumugam as Managing Director and to increase the remuneration payable to him, with effect from 27.06.2010 for further period of 5 years. The aforesaid re-appointment and increase in remuneration was approved by the Remuneration committee at its meeting held on 25.05.2010.

The terms and conditions of appointment are set out in the text of the resolution contained in the Notice of the Annual General Meeting, which may also be treated the Notice required under Section 302 of the Companies Act, 1956.

The remuneration proposed is within the limits prescribed in Schedule XIII of the Companies Act, 1956.

Necessary resolutions are placed before the Members for their approval.

None of the Directors except Sri S V Balasubramaniam, Sri S V Alagappan, Dr S V Kandasami, Sri S V Arumugam (the appointee) and Sri A.Senthil is interested in this Item of the Agenda.

Item No.8:

The term of office of Sri S K Sundararaman, Executive Director of the Company will expire on 26.06.2010. He is associated with the Textile Industry about 10 years. Considering the Increase in the volume of business, duties and responsibilities on account of the implementation of the expansion and modernisation projects, the Board of Directors have proposed to re-appoint Sri S K Sundararaman as Executive Director and to increase the remuneration payable to him, with effect from 27.06.2010 for a further period of 5 years. The aforesaid re-appointment and increase in remuneration was approved by the Remuneration committee at its meeting held on 25.05.2010.

The terms and conditions of appointment are set out in the text of the resolution contained in the Notice of the Annual General Meeting, which may also be treated the Notice required under Section 302 of the Companies Act, 1956.

The remuneration proposed is within the limits prescribed in Schedule XIII of the Companies Act, 1956.

Necessary resolutions are placed before the Members for their approval.

None of the Directors except Sri S V Kandasami and Sri S K Sundararaman (the appointee) is interested in this Item of the Agenda.

Coimbatore
27th May, 2010

BY ORDER OF THE BOARD
S V BALASUBRAMANIAM
Chairman



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 S V Arumugam
Age	: 61 years
Qualification	: B.Sc., ACA
Date of Appointment	: 27.05.2005
Experience	: He has more than 25 years of experience in Textile Industry
Other Directorships	: Annamallai Infrastructures Limited Bannari Amman Enterprises Limited Bannari Amman Exports Limited Bannari Amman Sugars Limited Bannari Amman Finance Limited Bannari Amman Flour Mill Limited Kerala Alcoholic Products Limited Madras Sugars Limited Shiva Cargo Movers Limited Shiva Distilleries Limited Shiva Texyarn Limited SIMA Textile Processing Center Limited Confederation of Indian Textile Industry Anamallais Agencies Private Limited Anamallais Automobiles Private Limited Annamallai Enterprise Private Limited Annamallai Estates Private Limited Annamallai Retreading Company Private Limited Bannari Amman Apparel Private Limited Bannari Amman Infrastructures Private Limited Bannari Techno Park Private Limited Kwality Clothes Private Limited Sakthi Murugan Transports Private Limited Senthil Infrastructure Private Limited Shiva Automobiles Private Limited Vedanayagam Hospital Private Limited
Member of Committee	: Nil
Member of Committees in other Public Limited Companies	: Bannari Amman Sugars Limited Audit Committee - Member Shareholders Committee - Chairman Shiva Texyarn Limited Investors Grievance Committee - Member
Number of Shares held in the Company	: 1,253



Name : **Sri S K Sundararaman**
 Age : 37 years
 Qualification : MBA
 Date of Appointment : 27.05.2005
 Experience : He has more than 10 years of experience in the field of Information Technology and Technical Education, especially in the textile Technology
 Other Directorships : Shiva Texyarn Limited
 Bannari Infotech Private Limited
 Member of Committee : Investor's Grievance Committee - Member
 Member of Committees in other Public Limited Companies : **Shiva Texyarn Limited** - Audit Committee - Member
 Number of Shares held in the Company : Nil

Name : **Sri K N V Ramani**
 Age : 78 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
 Member of Committee : Audit Committee - Member
 Remuneration Committee - Chairman
 Member of Committees in other Public Limited Companies : **Shiva Texyarn Limited :**
 Audit Committee - Chairman
Sri Chamundeswari Sugars Limited :
 Remuneration Committee - Chairman
Sri Kannapiran Mills Limited:
 Audit Committee - Chairman
 Remuneration Committee - Chairman
K G Denim Limited :
 Audit Committee - Member
 Remuneration Committee - Chairman
L G B Forge Limited :
 Remuneration Committee - Chairman
 Number of Shares held in the Company : Nil



BANNARI AMMAN SPINNING MILLS LTD.

Name : **Sri S Palaniswami**
Age : 66 years
Qualification : B.E Electrical Engineering
Date of Appointment : 26.05.2008
Experience : He has more than 30 years of experience in the field of Vertical Transportation Elevators, Escalators and allied products.
Other Directorships : Shiva Texyarn Limited
Member of Committee : Audit Committee - Member
Member of Committees in other Public Limited Companies : **Shiva Texyarn Limited :**
Audit Committee - Member
Number of Shares held in the Company : 172

Name : **Dr K R Thillainathan**
Age : 56 years
Qualification : MBBS
Date of Appointment : 26.05.2008
Experience : He has more than 30 years of experience in Medical Profession
Other Directorships : Shiva Texyarn Limited
Member of Committee : Nil
Member of Committees in other Public Limited Companies : **Shiva Texyarn Limited :**
Remuneration Committee - Member
Number of Shares held in the Company : Nil

Colombatore
27th May, 2010

BY ORDER OF THE BOARD
S V BALASUBRAMANIAM
Chairman



DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 20th Annual Report together with audited accounts of the Company for the year ended 31st March, 2010.

FINANCIAL RESULTS

(Rs In Lakhs)

	2009-2010	2008-2009
Profit before Depreciation	4,799.92	3,139.28
Less: Depreciation	2,565.30	2,180.84
Less : Taxes	729.02	153.60
Profit after Tax	1,505.60	804.83
Surplus brought forward from last year	784.25	238.73
Amount available for appropriation	2,289.85	1,043.56
Appropriations:		
Provision for Equity Dividend	236.31	157.54
Provision for Tax on Dividend	40.16	26.77
Transfer to General Reserve	1,500.00	75.00
Surplus carried over to Balance Sheet	513.37	784.26
Total	2,289.85	1,043.56

DIVIDEND

Your Directors are glad to recommend payment of dividend of Rs.1.50/- per equity share of Rs.10/- each to the equity shareholders (15% on the Equity Capital). The dividend is free from Income tax in the hands of shareholders.

REVIEW OF OPERATIONS

The performance of the company during the year under review was encouraging. The improvement in demand for textile products in both Domestic and Export Markets and consequent better off take for the products of the Company. In the second half of the financial year has resulted in improved performance when compared to the last year. Having put to use all the production facilities last year itself, the company could achieve Optimum Capacity Utilization during the year under review.

The performance of Spinning & Weaving Divisions is satisfactory, despite the high cotton price for major part of the year and intense power cut and intermittent power shutdowns prevailing in Tamilnadu. The Directors are optimistic of better performance in the current financial year.

Spinning Division

During the year under review, the Spinning Mills produced 19318.86 tonnes – inclusive of purchased quantity (58.39 tonnes) of Yarn and sold 19294.03 tonnes (18572.42 tonnes) of Yarn. The sales include 5413.49 tonnes (5163.25 tonnes) by way of Export. The total sales of this division amounted to Rs. 26798.24 Lakhs (Rs.24600.73 Lakhs) of which export sales amounted to Rs.7507.00 Lakhs (6249.93 Lakhs) constituting 28.01% (25.41%) of the total revenue. The demand and realizations of finished products in Spinning Division were encouraging.



Weaving Division

The Weaving Division specializes in manufacturing wide-width cotton fabric. During the year under review, 60.84 Lakh Metres (42.98 Lakh Metres) of Fabric were produced and 64.78 Lakh metres (38.29 Lakh metres) of Fabric were sold.

Wind Mill Division

The company has 4 windmills of 1250 KVA each totalling 5 MW in Radhapuram Taluk, Tirunelveli District, Tamilnadu and 23 Nos Windmills, each of 800 KW capacity totalling 18.40 MW capacity in Dharapuram Taluk, Tiruppur District and Palani Taluk, Dindigul District, Tamilnadu. The total installed capacity of Windmills is 23.40 MW. The whole of the power generated is captively consumed by the Spinning Units.

The windmills produced 522.27 Lakh units of wind energy as against 298.75 lakh units produced in the last year.

Processing and Technical Textiles Division

During the year under review, 17.42 Lakh Metres (11.52) of Coated Fabric were produced and 17.12 Lakh metres (10.66) of Coated Fabric were sold. The end products/applications of these fabrics include Home Textiles, upholstery, apparel fabric, performance and industrial fabric.

During the year under review, 1.10 Lakh Metres (5.83 Lakh Metres) of Breathable water proof Fabric were produced and 1.05 Lakh metres (5.14 Lakh metres) were sold under the Brand name Quick dry.

Prospects for the current year and Expansions

The performance of the Company is expected to be better, considering the market and Economic Scenario prevailing in the Country. The company is striving to achieve maximum capacity utilization using captive power generation and purchase of power from third parties.

To meet the increased power requirements of Spinning Divisions of the Company 2 nos of Enercon make windmills with a capacity of 800 KW each, aggregating 1.60 MW near Chinnapudur, Dharapuram Taluk and 3 nos. of Vestas make windmills with capacity of 1650 KW aggregating 4.95 MW in Kongalnogaram, Udumalpet Taluk, Tiruppur District, Tamilnadu are being installed.

PUBLIC DEPOSITS

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

DIRECTORS

Sri K N V Ramani, Sri S Palaniswami and Dr K R Thillainathan Directors will retire by rotation at the ensuing Annual General Meeting and they are eligible for reappointment.

The term of office of Sri S V Arumugam as Managing Director and Sri S K Sundararaman as Executive Director expires on 26.06.2010. The Board of Directors have appointed them for a further period of 5 years. Such appointment and payment of remuneration are subject to approval of the shareholders in the ensuing Annual General Meeting.

AUDIT COMMITTEE

The Audit Committee comprises of

- | | | |
|----------------------|---|---|
| 1. Sri C S K Prabhu | - | Chairman (Non-Executive Independent Director) |
| 2. Sri A Senthil | - | Member (Non-Executive Director) |
| 3. Sri K N V Ramani | - | Member (Non-Executive Independent Director) and |
| 4. Sri S Palaniswami | - | Member (Non-Executive Independent Director)* |

*Appointed as Audit Committee member w.e.f 10.05.2010

**PARTICULARS OF EMPLOYEES**

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

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

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (i) Your Directors have followed the applicable accounting standards in the preparation of annual accounts;
- (ii) Your Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year 2009-2010 and of the profit of the company for that period;
- (iii) Your Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities; and
- (iv) Your Directors have prepared the annual accounts on a going concern basis.

CORPORATE GOVERNANCE

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

AUDITORS

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

INDUSTRIAL RELATIONS

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

ACKNOWLEDGEMENT

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

Coimbatore
27th May, 2010

BY ORDER OF THE BOARD
S V BALASUBRAMANIAM
Chairman

**ANNEXURE I**

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

Name	Designation	Remuneration Received Rs.	Qualification	Age in years as on 31.03.10	Experience in years	Date of commencement of Employment	Particulars of last Employment
Sri S V Arumugam	Managing Director	88,37,471	B.Sc., ACA	61	30	27.06.2005	Managing Director Shiva Texyarn Ltd
Sri S K Sundararaman	Executive Director	49,99,102	MBA	36	11	27.06.2005	Managing Director Bannari InfoTech Private Limited

Note :

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

Coimbatore
27th May, 2010

BY ORDER OF THE BOARD
S V BALASUBRAMANIAM
Chairman

ANNEXURE II

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

A. CONSERVATION OF ENERGY

Energy conservation continues to 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 and as a result, new devices are being installed then and there to conserve energy.

a. Energy Conservation Measures taken:

- i. Carding waste suction fan diameter increased without increasing additional motor capacity for the increase of 4 cardings and one blow room line machines.
- ii. Spindle whare diameter reduced to 18.5mm with optimum spindle lift and ring diameter.
- iii. For Elite Compact Spinning frames for suction, number of motor reduced from two motors to one motor without affection of quality and performance.



- iv. Auto coner suction fan speed / suction limit optimised without affecting performance and quality.
- v. In blow room Instead of utllising Humidification plant we provide energy efficient Humifog to reduce the energy consumption.
- vi. In blow room material flow fan speed optimize without affecting quality for energy consumption reduction.
- vii. Ring frame suction fan diameter optimized to get energy saving without affecting quality and performance.
- viii. Humidification plant all fans blade angle optimized according to the outside climate conditions.

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

The Company has plans to installed latest energy saving machinerles 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)	647.97	764.73
Amount spent (Rs in Lakhs)	2678.68	2580.94
Rate per unit (Rs)	4.13	3.37
b) Own Generation		
I) Through Diesel Generator		
Total Units produced (in Lakhs)	81.95	30.00
Units produced per litre of diesel (Units)	3.50	3.43
Amount spent (Rs in lakhs)	727.19	266.10
Cost per unit (Rs)	8.87	8.87
II) Through steam turbine/generator	Nil	Nil
2. Coal	Nil	Nil
3. Furnace oil	Nil	Nil
4. Others /Internal Generation	Nil	Nil
II. CONSUMPTION PER UNIT OF PRODUCTION		
Product : COTTON YARN		
Production In MT	19260.46	17808.26
Electricity consumed In units (in Lakhs)	630.76	733.44
Electricity consumed per Kg of yarn (Units)	3.27	4.12



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	:	Rs.19,80,142/-
Commission	:	Rs.1,02,55,582/-
Interest	:	Rs.2,25,96,956/-
Purchase of Spares and Capital Goods	:	Rs.12,93,86,242/-
Purchase of Raw Materials	:	Rs.30,61,05,558/-
ii) Foreign Exchange earned	:	Rs.81,64,70,827/-

Coimbatore
27th May, 2010

BY ORDER OF THE BOARD
S V BALASUBRAMANIAM
Chairman



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 12 Directors viz., 1 Non Executive Chairman, 2 Executive Directors and 9 Non Executive Directors. 6 Directors are Independent Directors.

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

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

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

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

**BOARD MEETINGS AND ANNUAL GENERAL MEETING**

During the financial year, 5 Board Meetings were convened by giving advance notices to the Directors. The meetings were held on 27.05.2009, 30.06.2009, 29.07.2009, 28.10.2009 and 29.01.2010 at 1212, Trichy Road, Coimbatore-18.

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

Details of attendance of each Director at the Board Meetings and at the last Annual General Meeting held on 23.09.2009:

NAME OF THE DIRECTOR	NUMBER OF BOARD MEETINGS ATTENDED	LAST AGM ATTENDED YES / NO
1. Dr S V Balasubramaniam	4	Yes
2. Sri S V Aiagappan	5	Yes
3. Dr S V Kandasami	5	Yes
4. Sri S V Arumugam	5	Yes
5. Sri S K Sundararaman	5	Yes
6. Sri A Senthil	1	No
7. Sri V Venkata Reddy	4	Yes
8. Sri K N V Ramani	4	Yes
9. Sri C S K Prabhu	4	Yes
10. Dr K R Thillalnathan	5	Yes
11. Sri S Palaniswami	4	Yes
12. Sri K Sadhasivam	5	Yes

AUDIT COMMITTEE

The Audit Committee consists of 4 Directors, of which 3 are independent.

1. Sri C S K Prabhu	-	Chairman - Independent
2. Sri K N V Ramani	-	Member - Independent
3. Sri A Senthil	-	Member
4. Sri S Palaniswami*	-	Member - Independent

*Appointed as member w.e.f 10.05.2010



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:

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

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

Name of the Member	No of Meetings Attended
1. Sri C S K Prabhu	5
2. Sri K N V Ramani	5
3. Sri A Senthil	1
4. Sri S Palaniswami*	-

* Appointed as member w.e.f 10.05.2010

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.,

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

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

**DETAILS OF SHAREHOLDING OF NON-EXECUTIVE DIRECTORS AS ON 31.03.2010**

Name of the Director	No. of sharesheld
1. Dr S V Balasubramaniam	1,253
2. Sri S V Alagappan	2,502
3. Dr S V Kandasami	1,252
4. Sri A Senthil	Nil
5. Sri V Venkata Reddy	Nil
6. Sri K N V Raman	Nil
7. Sri C S K Prabhu	Nil
8. Dr K R Thillalnathan	Nil
9. Sri S Palaniswami	172
10. Sri K Sadhasivam	Nil

INVESTOR'S GRIEVANCE COMMITTEE

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

The Investor's Grievance Committee consists of :

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 16 complaints from the shareholders and 1 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	27	1460
Approached for transfer during the year	3	194
Transferred to the shareholder during the year	3	194
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
17th	24.09.2007	Nani Kalai Arangam, Mani Higher Secondary School, Pappanaickenpalayam, Coimbatore 641037	4.00 PM
18th	29.09.2008	Nani Kalai Arangam, Mani Higher Secondary School, Pappanaickenpalayam, Coimbatore 641037	10.15 AM
19th	23.09.2009	Nani Kalai Arangam, Mani Higher Secondary School, Pappanaickenpalayam, Coimbatore 641037	10.00 AM

DISCLOSURES

- i) None of the transactions with related parties during the year 2009-2010 were in conflict with the interest of the Company.
- ii) There was no instance of non-compliance of any matter related to the capital markets during the last 3 years.

MEANS OF COMMUNICATION

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

SHAREHOLDERS' INFORMATION**Annual General Meeting**

Day and Date	:	Monday and 20.09.2010
Time	:	10.15 A.M
Venue	:	Nani Kalai Arangam Mani Higher Secondary School Pappanaickenpalayam Coimbatore - 641037

**Financial Calendar**

Results Announced	:	27.05.2010
Posting of Annual Report	:	On or before 20.08.2010
Last date of receipt of Proxy forms	:	18.09.2010
Dividend payment date	:	On or before 19.10.2010
Announcement of quarterly Results	:	During first/second week of August and November 2010 ; February and May 2011 or as stipulated by SEBI from time to time.

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

15.09.2010 to 20.09.2010 (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 2009 to March 2010 were:

MONTH	SHARE PRICE AT NSE		NIFTY - INDEX	
	High (Rs. Ps.)	Low (Rs. Ps.)	High	Low
April 2009	49.00	30.15	3517.25	2965.70
May	64.40	35.10	4509.40	3478.70
June	68.90	51.50	4693.20	4143.25
July	60.50	40.10	4669.75	3918.75
August	82.90	55.00	4743.75	4353.45
September	114.80	69.20	5087.60	4576.60
October	103.00	86.20	5181.95	4687.50
November	123.90	93.10	5138.00	4538.50
December	135.00	101.25	5221.85	4943.95
January 2010	122.90	93.50	5310.85	4766.00
February	117.70	91.15	4992.00	4675.40
March	109.30	87.70	5329.55	4935.35

Based on the closing quotation of Rs. 101.50 as at 31.03.2010 at NSE Mumbai, the market capitalization of the Company was Rs. 159.90 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 Phiroze Jeejeebhoy Towers Dalal Street, Mumbai 400 001	532674	National Stock Exchange of India Limited "Exchange Plaza" Bandra-Kurla Complex Bandra (E) Mumbai 400 051	BASML

The Company has paid Annual Listing Fees for the year 2010-2011

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**

Surlya, 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 30 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 31.03.2010

Category	No of Shares Held	Percentage of Shareholding
Promoter's Holding	87,51,250	55.55
Banks/FIs/Mutual Funds	12,12,384	7.70
Private Corporate Bodies	11,76,972	7.47
Indian Public	44,64,771	28.34
NRI/OCBs	1,48,892	0.94
Total	1,57,54,269	100.00



PLANT LOCATIONS :

Spinning Division

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

Velvarkottal, Dindigul Trichy National Highway 45
Vedasandur Taluk, Dindigul 624 803, Tamilnadu

Weaving Division

Karanampet - Paruvai Road
Paruvai Post, Coimbatore - 641 658

Technical / Flocking Division

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

Windmill Division

Idukandurai Village
Dhanakarkulam Village
Radhapuram Taluk
Tirunelveli District, Tamilnadu

Chinnapudur village
Dharapuram Taluk
Erode District
Tamilnadu

Melkaraipatti & Kottathurai Village
Palani Taluk, Dindigul District
Tamilnadu

ADDRESS FOR CORRESPONDENCE

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

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

Coimbatore
27th May, 2010

BY ORDER OF THE BOARD
S V BALASUBRAMANIAM
Chairman



MANAGEMENT DISCUSSION AND ANALYSIS

COMPANY'S BUSINESS

The Company is engaged in manufacture of cotton yarn, woven and coated fabrics. The Company is also engaged in wind power generation. The Company has two spinning units near Dindigul, Tamilnadu with installed capacity of 1,37,232 spindles, Weaving Division near Palladam, Tamilnadu with installed capacity of 135 Looms, Processing & Technical Textiles near Annur, Tamilnadu with capacity to produce 24 Lakhs meters of coated fabric per year and 27 windmills with installed capacity 23.40 MW of Power. The whole of the power produced out of wind mills is captively consumed by the spinning units.

INDUSTRY STRUCTURE AND DEVELOPMENTS

The contribution of Textile industry to growth of the Indian economy, in terms of, industrial production, employment generation and foreign exchange earnings is significant. The removal of quotas in foreign trade and introduction of TUF scheme by the Government of India during the last decade has resulted in modernization/renovation of Plant and Machinery in order to improve quality outputs and meet global standards.

The recent slowdown of economy had a severe impact on export markets of Indian textile industry and resulted in drop in production of Textile and clothing products. However, with the revival of economy after the second half of the year the demand for textile products has gradually improved.

Recently, the government has introduced restrictions on export of cotton and waste cotton to curb the increase in price of these items. Further the government has withdrawn DEBP incentive of 7.65% and Duty Draw Back of 4% for cotton yarn exports.

OPPORTUNITIES, RISKS & CONCERNS

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

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

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

SEGMENT-WISE AND PRODUCT-WISE PERFORMANCE

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

OUTLOOK

With the utilization of very modern machinery, it is expected that the Company will be able to improve efficiency and successfully face global competition.

The performance of our company in the Domestic market has been exceptional. Your Company continues to do well in export of cotton yarn to countries like Turkey, Egypt, Korea, Taiwan, Honkong, China, Sri Lanka, Bangladesh, Singapore, Portugal, Australia, Brazil and Poland among others. Our yarn has got recognition in the International market due to strict adherence to delivery schedules and maintaining of consistent quality.



The Company is focusing on "Product Mix Optimization" whereby product mix is planned, continuously monitored and reviewed to achieve best possible results in yarn production.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

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

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

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

Coimbatore
27th May, 2010

BY ORDER OF THE BOARD
S V BALASUBRAMANIAM
Chairman

DECLARATION ON CODE OF CONDUCT

To
The Members of
Bannari Amman Spinning Mills Limited

In compliance with the requirements of clause 49 of the listing agreement with the stock exchanges, I declare that the Board of Directors and members of senior management have affirmed the compliance with the code of conduct during the financial year ended 31.03.2010.

Place : Coimbatore
Date : 27th May, 2010

S V ARUMUGAM
Managing Director

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE :

To The Members of Bannari Amman Spinning Mills Limited

We have examined the compliance of conditions of Corporate Governance by Bannari Amman Spinning Mills Limited for the year ended on 31st March 2010, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

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

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

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

Coimbatore
27th May, 2010

For **P N RAGAVENDRA RAO & Co.**
Chartered Accountants
P R VITEL
Partner
M.No.200/18111
Firm Regn. No. 0033285

**AUDITORS' REPORT TO THE SHAREHOLDERS**

We have audited the attached Balance Sheet of M/s. Bannari Amman Spinning Mills Limited as at 31.03.2010, the Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

- i. As required by the Companies (Auditor's Report) Order 2003 issued by the Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we furnish below a statement on the matters specified in paragraphs 4 and 5 of the said Order.
 - 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 on the basis of available information.
 - b. As explained to us, the fixed assets have been physically verified by the management during the year in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - c. The Company has not disposed off substantial part of fixed assets during the year.
 - ii. In respect of its inventories:
 - a. As explained to us, inventories have been physically verified by the management at reasonable intervals during the year.
 - b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c. The Company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventory as compared to the book records.
 - 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 are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and also for the sale of goods and services. During the course of our audit, we have not observed any major weaknesses in internal controls.
 - v.
 - a. In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that Section; and
 - b. In our opinion and according to the information and explanations furnished to us, the transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
 - vi. The Company has not accepted any deposits from the public.



- vii. In our opinion, the Internal audit system of the Company is commensurate with its size and nature of its business.
- viii. The Central Government has prescribed maintenance of Cost Records under Section 209 (1) (d) of the Companies Act, 1956 in respect of certain manufacturing activities of the Company. We have broadly reviewed the accounts and records of the Company in this connection and are of the opinion, that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- ix. In respect of statutory dues:
- a. According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Service tax, Customs Duty, Excise Duty, Cess and other statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2010 for a period of more than six months from the date of becoming payable.
- b. The disputed due of Excise duty amounting to Rs. 4,24,513/- that have not been deposited on account of matters pending before appropriate authority is as under :

Name of the Statute	Nature of the Due	Amount (Rs. in Lakhs)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty Rebate	4.25	2008 - 2009	The Revision Authority Ministry of Finance, New Delhi

- 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. Based on our audit procedures and according to the information and explanation given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions or banks.
- 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. 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. To the best of our knowledge and belief and according to the information and explanations given to us, term loans availed by the Company were prima facie, applied by the Company during the year for the purpose for which the loans were obtained.
- xvii. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that the Company has not utilised short-term funds for long-term investments.
- xviii. During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
- xix. The Company has not issued 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 year that causes the financial statements to be materially misstated.
- ii. Further to the above, we report that:
- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account, as required by law, have been kept by the Company, so far as appears from our examination of those books;
 - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the mandatory Accounting Standards referred in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - e) In our opinion, and based on Information and explanations given to us, none of the directors are disqualified as on 31st March, 2010 from being appointed as directors in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Significant Accounting Policies and other notes thereon give the information required by the Companies Act, 1956, in the manner so required, and present a true and fair view, in conformity with the accounting principles generally accepted in India:
 - I) In so far as it relates to Balance Sheet, of the state of affairs of the Company as at 31st March, 2010;
 - II) In so far as it relates to the Profit and Loss Account, of the Profit of the Company for the year ended on that date; and
 - III) In so far as it relates to the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Coimbatore
27th May, 2010

For **P N RAGAVENDRA RAO & Co.**
Chartered Accountants
P R VITEL
Partner
M.No.200/18111
Firm Regn. No. 0033288

**BANNARI AMMAN SPINNING MILLS LTD.****BALANCE SHEET AS AT 31.03.2010**

Particulars	Schedule No	As at 31.03.2010	As at 31.03.2009
SOURCES OF FUNDS :			
A. Shareholders Funds			
Share Capital	1	15,75,42,690	15,75,42,690
Reserves & Surplus	2	1,56,83,91,545	1,44,54,79,359
B. Loan Funds			
Secured Loans	3	4,66,09,65,344	4,11,93,34,937
Unsecured Loans	4	5,69,36,984	7,31,43,648
C. Deferred Tax			
		36,88,50,047	29,59,48,220
TOTAL		6,81,26,86,610	6,09,14,48,854
APPLICATION OF FUNDS :			
A. Fixed Assets			
Gross Block	5	5,55,62,13,160	5,26,50,06,967
Less:- Depreciation		95,01,18,239	69,35,87,847
		4,60,60,94,921	4,57,14,19,120
Add:- Capital Work-in-progress		11,92,92,100	3,92,40,224
Net Fixed Assets (A)		4,72,53,87,021	4,61,06,59,344
Foreign Currency Monetary Item			
Translation Reserver A/c		2,58,28,370	5,99,62,907
B. Investments (B)			
	6	11,16,96,595	8,01,43,245
C. Current Assets, loans And Advances			
I. CURRENT ASSETS			
Inventories	7	94,32,36,593	1,00,91,08,925
Sundry Debtors	8	28,36,64,415	19,63,58,919
Cash & bank balances	9	14,13,61,021	3,91,18,306
Accrued Income/Receivables	10	15,48,37,173	17,70,95,446
ii. LOANS & ADVANCES			
	11	71,23,13,677	35,17,17,157
		2,23,54,12,879	1,77,33,98,753
Less : Current Liabilities & Provisions	12	28,56,38,255	43,27,15,395
		1,94,97,74,624	1,34,06,83,358
D. Miscellaneous Expenditure			
(To the extend not written off or adjusted)		-	8,23,01,145
Less: written off against share premium Account		-	8,23,01,145
TOTAL		6,81,26,86,610	6,09,14,48,854

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

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

S V BALASUBRAMANIAM
Chairman

S V ALAGAPPAN
Vice Chairman

P R VITTEL
Partner

S V ARUMUGAM
Managing Director

N KRISHNARAJ
Company Secretary

Membership No. 200 / 18111
Coimbatore
Firm Regn. No. 0033285



PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2010

Particulars	Schedule No	Period Ended 31.03.2010	Period Ended 31.03.2009
INCOME			
Sales	13	3,55,31,88,662	2,86,82,75,744
Other Income	14	85,12,167	97,03,565
Stock Adjustment	23	(1,04,49,150)	4,12,64,714
TOTAL		3,55,12,51,679	2,91,92,44,023
EXPENDITURE			
Raw Materials Consumed	15	2,25,01,16,688	1,88,51,79,428
Traded Goods Purchased		73,69,596	8,48,34,722
Power & Fuel	16	17,49,33,772	18,40,54,838
Employees Cost	17	10,30,10,828	9,29,06,138
Rent paid		35,86,657	21,37,003
Rates & Taxes	18	55,28,722	52,87,733
Insurance		72,42,626	82,10,615
Repairs & Maintenance	19	7,98,88,573	4,73,72,712
Administration Expenses	20	6,94,78,989	3,24,74,497
Remuneration to Managerial Personnel		1,33,68,573	75,33,137
Packing Material Consumed		5,00,88,268	4,38,53,702
Interest Cost	21	20,41,31,357	14,79,69,443
Selling & Distribution Charges	22	10,25,15,066	6,35,01,411
Depreciation		25,65,30,392	21,80,84,360
TOTAL		3,32,77,90,107	2,82,33,99,739
PROFIT BEFORE TAX		22,34,61,573	9,58,44,284
Less : Income Tax - Current year		2,49,64,551	1,02,91,822
MAT Credit Entitlement		(2,49,64,551)	(1,02,91,822)
Fringe Benefit Tax		-	3,70,000
Deferred Tax		7,29,01,827	1,49,90,333
PROFIT AFTER TAX		15,05,59,746	8,04,83,951
Surplus brought forward from previous year		7,84,25,038	2,38,72,794
Amount available for Appropriation		22,89,84,784	10,43,56,745
APPROPRIATIONS			
Equity Dividend		2,36,31,404	1,57,54,269
Tax on Corporate Dividend		40,16,157	26,77,438
Transfer to General Reserve		15,00,00,000	75,00,000
Balance carried over to Balance Sheet		5,13,37,224	7,84,25,038
		22,89,84,784	10,43,56,745
Basic and diluted earnings per share		9.56	5.11
Face value of the Share		10.00	10.00

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

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

S V BALASUBRAMANIAM
Chairman

S V ALAGAPPAN
Vice Chairman

P R VITEL
Partner

S V ARUMUGAM
Managing Director

N KRISHNARAJ
Company Secretary

Membership No. 200 / 18111
Coimbatore
Firm Regn. No. 0033285

**SCHEDULES**

	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
SCHEDULE 1		
SHARE CAPITAL		
AUTHORISED		
16000000 Equity Shares of Rs.10/- each	16,00,00,000	16,00,00,000
50000 Cummulative Preference Shares of Rs.100/- each	50,00,000	50,00,000
	16,50,00,000	16,50,00,000
ISSUED, SUBSCRIBED & PAID UP		
15754269 Equity Shares @ Rs.10/- Each	15,75,42,690	15,75,42,690
(Of the above 5250750 Equity shares of Rs.10/- each have been issued as fully paid up Bonus shares by capitalisation of reserves)		
TOTAL	15,75,42,690	15,75,42,690
SCHEDULE 2		
GENERAL RESERVE		
As per last Balance Sheet	57,39,78,091	56,64,78,091
Add : Transferred from P & L Account	15,00,00,000	75,00,000
General Reserve	72,39,78,091	57,39,78,091
Share Premium Account	79,30,76,230	87,53,77,375
Less: Applied for writing off share issue expenses	-	8,23,01,145
	79,30,76,230	79,30,76,230
Surplus In Profit and Loss Account	5,13,37,224	7,84,25,038
TOTAL	1,56,83,91,545	1,44,54,79,359
SCHEDULE 3		
SECURED LOANS		
From Banks		
Term Loans	3,88,53,94,022	3,63,45,17,527
Cash Credit Loans/Short Term Loan	71,55,71,322	48,31,52,412
Packing Credit	6,00,00,000	16,64,998
TOTAL	4,66,09,65,344	4,11,93,34,937
SCHEDULE 4		
UNSECURED LOANS		
Tamilnadu Govt-Interest Free Sales Tax Loan	5,69,36,984	7,31,43,648
TOTAL	5,69,36,984	7,31,43,648



SCHEDULE : 5
FIXED ASSETS

S.No.	PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As at 01.04.2009	Addition	Deletion	As at 31.03.2010	Upto 31.03.2009	For the year	Withdrawn	Upto 31.03.2010	As at 31.03.2010	As at 31.03.2009
1	Land & Site Development	5,38,23,761	1,662,133	-	5,54,83,894	-	-	-	-	55,483,894	5,38,23,761
2	Building	10,310,58,961	5,83,85,670	-	1,08,94,44,631	8,90,65,263	3,33,65,284	-	12,24,50,547	96,69,94,084	94,19,93,698
3	Plant & Machinery	4,15,83,89,330	22,24,68,878	-	4,38,08,58,208	59,79,38,920	22,05,14,373	-	81,84,53,293	3,56,24,04,915	3,56,24,04,915
4	Office Equipment	87,60,907	40,65,779	-	1,28,26,686	24,83,561	13,18,161	-	38,01,713	90,24,924	62,77,346
5	Furniture & fitting	51,97,489	13,33,741	-	55,31,230	16,00,738	5,69,007	-	19,69,740	45,61,490	35,96,751
6	Vehicle	75,12,854	32,78,622	-	1,07,91,476	24,34,876	9,20,710	-	33,55,586	74,36,890	50,77,978
7	Tools & implements	2,66,665	11,420	-	2,77,085	64,488	22,872	-	87,360	1,89,725	2,01,177
	TOTAL (A)	5,24,80,06,967	29,12,04,193	-	5,55,62,13,160	69,35,87,445	25,65,30,392	-	95,01,18,239	4,60,60,94,920	4,57,14,19,120
1	Buildings	-	4,15,93,498	39,409,338	21,84,160	-	-	-	-	21,84,160	-
2	Plant & Machinery	39,240,225	28,38,21,668	206,953,952	13,71,07,940	-	-	-	-	11,71,07,940	3,92,40,225
	TOTAL (B)	39,240,225	32,54,15,166	245,363,290	11,92,92,100	-	-	-	-	11,92,92,100	3,92,40,225
	Total for the year	5,30,42,47,192	61,66,21,369	245,363,290	5,67,55,05,260	69,35,87,445	25,65,30,392	-	95,01,18,239	4,72,53,87,021	4,61,06,59,345
	Previous Year	4,59,47,87,076	1,12,18,89,364	41,24,29,267	5,30,42,47,192	47,72,70,103	21,80,84,360	17,66,617	69,35,87,847	4,61,06,59,344	4,11,25,16,975



	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
SCHEDULE 6		
INVESTMENTS : (AT COST)		
Non - Trade - Unquoted		
a. Investment In Govt Securities		
National Savngs Certificate	3,000	3,000
	3,000	3,000
Non - Trade - Quoted		
b. Investment in Shares		
4600 Equity Shares of Rs.10/- each in Bannari Amman Sugars Limited fully paid	5,78,394	5,78,394
3317950 Equity Shares of Rs.10/- each in Shiva Texyarn Limited fully paid	1,99,59,451	1,99,59,451
	2,05,37,845	2,05,37,845
Non - Trade - Unquoted		
96096 Preference Shares of Rs.100/- each in Anamallais Agencies Private Limited fully paid	24,02,400	24,02,400
150000 Equity Shares of Rs.10/- each in Bannari Info Tech Private Limited fully paid	15,00,000	15,00,000
550000 Equity Shares of Rs.10/- each in Bannari Amman Flour Mill Limited	55,00,000	55,00,000
20000 Equity Shares of Rs.10/- each in SIMA Textile Processing Limited	2,00,000	2,00,000
8155335 Equity Shares of Rs.10/- each in Bannari Amman Apparel Private Limited	8,15,53,350	5,00,00,000
	9,11,55,750	5,96,02,400
TOTAL	11,16,96,595	8,01,43,245
SCHEDULE 7		
INVENTORIES : (AS CERTIFIED BY MANAGING DIRECTOR)		
Stock of stores & spares/Building Materials	1,98,86,912	1,10,65,840
Stock in trade :		
Raw Materials - Cotton	65,81,07,006	74,52,64,041
Raw Materials - Yarn	4,55,50,148	2,22,92,921
Raw Materials - Tow	36,72,308	48,62,722
Raw Materials - Base Fabric/Dyes & Chemicals	62,59,630	54,13,663
Finished goods - Yarn / Fabric	7,46,64,466	8,25,81,208
Finished goods - Fabric	5,83,64,539	8,11,69,731
Stock In Process	5,08,67,288	4,97,94,075
Waste Cotton Stock	2,58,64,296	66,64,724
TOTAL	94,32,36,593	1,00,91,08,925



	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
SCHEDULE 8		
SUNDRY DEBTORS (UNSECURED CONSIDERED GOOD)		
More than six months	54,27,544	90,55,045
Other debts	27,82,36,871	18,73,03,874
TOTAL	28,36,64,415	19,63,58,919
SCHEDULE 9		
CASH & BANK BALANCES :		
Cash on hand	13,49,323	48,06,534
In Current A/c with Scheduled Banks	9,27,49,904	3,30,14,629
In Deposit A/c with Scheduled Banks	13,07,171	12,97,143
Debit Balance in OCC A/c	4,59,54,623	.
TOTAL	14,13,61,021	3,91,18,306
SCHEDULE 10		
OTHER CURRENT ASSETS :		
Accrued Income	3,48,36,164	35,49,585
Receivables	12,00,01,009	17,35,45,861
TOTAL	15,48,37,173	17,70,95,446
SCHEDULE 11		
LOANS & ADVANCES :		
(UNSECURED CONSIDERED GOOD, RECOVERABLE IN CASH OR KIND)		
Advances towards capital expenditure	37,58,46,328	3,19,22,052
Advance towards expenses/purchases	11,91,98,218	13,69,42,078
MAT Credit Entitlement	5,31,47,029	2,81,82,478
Other advances/Loans	1,90,55,833	4,28,52,929
T N E B Deposit	5,05,22,356	5,05,89,945
Sundry Deposit	27,63,204	6,81,644
Advance Income tax and TDS	7,73,26,057	4,95,43,663
Prepaid Expenses	1,44,54,653	1,10,02,368
TOTAL	71,23,13,677	35,17,17,157
SCHEDULE 12		
CURRENT LIABILITIES & PROVISIONS:		
A. CURRENT LIABILITIES		
Liability for Purchase/Expenses	14,08,03,266	31,31,13,622
Liability for Capital Expenditure	4,73,78,962	4,96,66,654
Other Liabilities	1,11,28,755	90,21,358
Advance from customers	1,61,85,073	85,65,637
Interest accrued but not due	1,53,81,953	2,11,06,469
B. PROVISIONS		
Provision for Dividend	2,36,31,404	1,57,54,269
Provision for Corporate Tax Dividend	40,16,157	26,77,438
Provision for Taxation	2,71,12,685	1,28,09,948
TOTAL	28,56,38,255	43,27,15,395



	Period ended 31.03.2010 Rs.	Period ended 31.03.2009 Rs.
SCHEDULE : 13		
SALES :		
Yarn	2,59,58,14,884	2,19,99,26,764
Fabric	62,57,30,057	41,16,39,448
Cotton Waste	23,54,43,508	21,53,09,221
Cotton	51,39,330	-
Flock Powder	34,07,859	23,98,770
Conversion Charges	1,80,33,310	70,04,861
Income from Windmill	1,01,00,391	-
Miscellaneous Operational Receipts	5,58,54,143	2,63,46,859
Claim for Breach of Contract	36,65,179	56,49,821
TOTAL	3,55,31,88,662	2,86,82,75,744
SCHEDULE : 14		
OTHER INCOME		
Interest Receipt (TDS on above Rs.5,83,452/-) (31.03.2009 - Rs.7,71,715/-)	53,90,847	45,55,031
Dividend Receipts	31,21,320	50,07,375
Profit on sale of Assets	-	1,41,159
TOTAL	85,12,167	97,03,565
SCHEDULE : 15		
RAW MATERIALS CONSUMED :		
Opening Stock - Cotton	74,52,64,040	75,51,08,323
Opening Stock - Yarn	2,22,92,920	2,85,36,447
Opening Stock - Tow	48,62,722	8,37,346
Opening Stock - Base Fabric	10,49,053	23,13,450
Opening Stock - Dyes & Chemicals	43,64,611	17,54,940
Purchases - Cotton	1,81,41,87,390	1,61,05,71,555
Purchases - Yarn	24,58,75,757	16,42,03,836
Purchases - Tow	2,82,96,867	2,53,59,706
Purchases - Base Fabric	2,89,59,690	1,86,80,629
Purchases - Dyes & Chemicals	3,96,65,246	3,14,39,432
Sizing Charges	2,18,79,105	2,42,07,111
Sizing Material Consumed	70,08,378	-
	2,96,37,05,781	2,66,30,12,775
Less : Closing Stock - Cotton	65,81,07,006	74,52,64,041
Less : Closing Stock - Yarn	4,55,50,148	2,22,92,921
Less : Closing Stock - Tow	36,72,308	48,62,722
Less : Closing Stock - Base Fabrics/Dyes & Chemicals	62,59,630	54,13,664
TOTAL	2,25,01,16,688	1,88,51,79,427



	Period ended 31.03.2010 Rs.	Period ended 31.03.2009 Rs.
SCHEDULE : 16		
POWER & FUEL CONSUMED:		
Power Charges	9,53,06,661	15,61,56,239
Fuel for Generator	7,96,27,110	2,78,98,599
TOTAL	17,49,33,771	18,40,54,838
SCHEDULE : 17		
EMPLOYEE COST :		
Salaries, wages, Bonus & Gratuity	7,64,15,671	7,00,15,833
Employer Contribution to PF/EPF	40,01,978	40,76,949
Staff/workmen welfare expenses	2,25,93,179	1,88,13,356
TOTAL	10,30,10,828	9,29,06,138
SCHEDULE : 18		
RATES & TAXES :		
Licence fee	2,95,557	2,01,316
Other Rates & Taxes	52,33,165	50,86,417
TOTAL	55,28,722	52,87,733
SCHEDULE : 19		
REPAIRS & MAINTENANCE :		
Building Maintenance	75,56,615	29,35,866
Machinery Maintenance	6,15,64,855	3,58,10,465
Electrical Maintenance	87,98,816	68,12,802
Vehicle Maintenance	19,68,286	18,13,579
TOTAL	7,98,88,572	4,73,72,712
SCHEDULE : 20		
ADMINISTRATION & OTHER EXPENDITURE:		
Legal fees	19,04,691	17,83,888
Consultancy Charges	19,68,909	4,87,076
Printing & Stationery	22,62,104	20,63,743
Postage & Telegrams	17,23,754	12,88,591
Books & Periodicals	4,84,217	1,38,911
Telephone Charges	14,69,388	11,10,864
Hank Yarn Obligation	4,02,931	3,81,361
Advertisement/Donation	12,71,233	20,39,893
Directors Sitting Fees	1,04,000	86,000
Travelling Expenses	86,06,054	55,01,980
Auditors Remuneration	7,84,080	7,20,642
Exchange rate fluctuation	2,99,93,954	56,08,889
Security Service Charges	62,06,674	18,30,913
Transport on Materials	63,30,785	54,53,706
General Maintenance	37,49,385	28,51,572
General Charges	22,16,832	11,26,468
TOTAL	6,94,78,991	3,24,74,497



	Period ended 31.03.2010 Rs.	Period ended 31.03.2009 Rs.
SCHEDULE : 21		
INTEREST COST:		
Interest on Fixed Loans	15,69,12,715	10,18,39,831
Other Interest and Financial Charges	3,77,39,074	4,20,43,030
Bank Charges	94,79,568	40,86,582
TOTAL	<u>20,41,31,357</u>	<u>14,79,69,443</u>
SCHEDULE : 22		
SELLING & DISTRIBUTION EXPENSES :		
Brokerage/Commission/Trade Discount	5,15,76,024	3,58,86,779
Bad Debts Written off	2,72,35,784	7,82,691
Transport Charges on Yarn	2,18,00,643	2,19,34,643
Sales office/Promotion expenses	19,02,616	49,00,562
Cess Paid (Net)	-	(3,264)
TOTAL	<u>10,25,15,067</u>	<u>6,35,01,411</u>
SCHEDULE : 23		
STOCK ADJUSTMENT		
a. Opening Stock:		
Stock in process	4,97,94,075	3,77,45,719
Cotton Waste	66,64,724	74,20,510
Finished goods - Fabric	8,11,69,732	3,32,49,414
Finished goods - Yarn	8,25,81,208	10,05,29,381
TOTAL	<u>22,02,09,739</u>	<u>17,89,45,024</u>
b. Closing Stock:		
Stock in process	5,08,67,288	4,97,94,075
Cotton Waste	2,58,64,296	66,64,724
Finished goods - Yarn	7,46,64,466	8,25,81,208
Finished goods - Fabric	5,83,64,539	8,11,69,732
TOTAL	<u>20,97,60,589</u>	<u>22,02,09,739</u>
INCREASE IN STOCK (a-b)	<u>(1,04,49,150)</u>	<u>4,12,64,714</u>



SCHEDULE 24

NOTES ATTACHED TO AND FORMING PART OF THE ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2010

I 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").
- ii. Investments: Investments are accounted at cost and are treated as long-term investments. The diminution in the market value of investment is recognized when diminution is considered permanent.
- iii. Valuation of Inventory.

Raw materials and stores & spares: At cost determined on 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 valued at historical cost. Cost includes related taxes, duties, freight, insurance etc., attributable to acquisition and installation of assets and borrowing cost incurred up to the date of commencing operations, but excludes duties and taxes that are recoverable from taxing authorities. The Fixed assets shown in the books are not revalued.
- v. The Company has provided depreciation on straight-line basis in respect of fixed assets at the rates prescribed in Schedule XIV to the Companies Act, 1956. For assets costing Rs.5000/- or less, 100% depreciation has been charged in the year of purchase of such assets; For other assets acquired during the year pro-rata charge has been made from the date of first use; In the year of disposal of assets, depreciation is charged up to the date of disposal.
- vi. The Foreign Currency transactions are recorded at the exchange rate prevailing on the date of the transaction. Foreign currency monetary items as at the Balance Sheet date are reported at the closing rate or at the rate at which it is likely to be realized from or required to be disbursed.
- vii. "Foreign Currency Monetary item Translation difference Account" has been amortised as per notification G.S.R.225(E) of the Ministry of Corporate Affairs, Government of India dated 31.3.2009.
- 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. 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.



- xi. Impairment loss of fixed assets is assessed as at the close of each financial year and appropriate provision, if required, is recognized in the accounts.
- xii. Current tax is determined at the current rates of income tax on taxable income and tax credits are computed in accordance with the provisions of the Income Tax Act, 1961. Fringe benefit tax provision is made in accordance with the provisions of the Income Tax Act, 1961.
- xiii. 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.
- xiv. 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.
- xv. The Company has operated only one business segment which is textile segment and hence segment report is not furnished.
- xvi. The Company's significant leasing arrangements are operating leases and cancelable in nature. The lease rentals paid/received under such agreements are accounted in the profit and loss account.

NOTES ON ACCOUNTS**1. Secured Loans :**

NAME OF THE BANKS	PARTICULARS OF LOAN	SECURITY
ICICI Bank Limited	Rupee Term Loan of Rs.1800 Lakhs under Technology Up-gradation Fund Scheme.	Hypothecation of specified movable properties including the machinery spares, tools and accessories of the spinning unit situated at Vadamadural Village, Vedasandhur Taluk, Dindigul District. The loan has been further secured by the personal guarantee of Chairman, Vice Chairman and Managing Director of the Company. The aggregate amount of loan outstanding as on 31.03.2010 is Rs.1012.50 Lakhs (31.03.2009 is Rs.1237.50 Lakhs).
Corporation Bank	Term loan of Rs.1792 Lakhs under Technology Up-gradation Fund Scheme.	Exclusive First charge on the Windmill- Unit I and all related equipments, systems and accessories. The loan has been further secured by the personal guarantee of Chairman, Vice Chairman and Managing Director of the Company. The aggregate amount of loan outstanding as on 31.03.2010 is Rs.952.00 Lakhs (31.03.2009 is Rs.1176 Lakhs).



NAME OF THE BANKS	PARTICULARS OF LOAN	SECURITY
Oriental Bank of Commerce	Rupee Term Loan under Technology Up-gradation Fund Scheme – Rs.15000 Lakhs.	<p>First charge by way of Equitable Mortgage over factory land and building and hypothecation of other movable assets financed by the bank for the new project ranking pari-passu with other banks. Second charge on the above fixed assets to be extended to the bankers who are extending working capital facilities to the company.</p> <p>The aggregate amount of loan outstanding as on 31.03.2010 is Rs.14058.86 Lakhs (31.03.2009 is Rs.14996.00 Lakhs).</p>
Indian Overseas Bank	Rupee Term Loan under Technology Up-gradation Fund Scheme – Rs.10000 Lakhs.	<p>First charge by way of Equitable Mortgage over factory land and building and hypothecation of other movable assets financed by the bank for the new project ranking pari-passu with other banks. Second charge on the above fixed assets to be extended to the bankers who are extending working capital facilities to the company.</p> <p>The aggregate amount of loan outstanding as on 31.03.2010 is Rs.6570.45 Lakhs (31.03.2009 is Rs. 5202.60 Lakhs).</p>
Corporation Bank	Rupee Term Loan under Technology Up-gradation Fund Scheme – Rs.3000 Lakhs.	<p>First charge by way of Equitable Mortgage over factory land and building and hypothecation of other movable assets financed by the bank for the new project ranking pari-passu with other banks. Second charge on the above fixed assets to be extended to the bankers who are extending working capital facilities to the company.</p> <p>The aggregate amount of loan outstanding as on 31.03.2010 is Rs.2761.27 (31.03.2009 is Rs.2961.27 Lakhs).</p>
Bank of Maharashtra	Rupee Term Loan under Technology Up-gradation Fund Scheme – Rs.5000 Lakhs.	<p>First charge by way of Equitable Mortgage over factory land and building and hypothecation of other movable assets financed by the bank for the new project ranking pari-passu with other banks. Second charge on the above fixed assets to be extended to the bankers who are extending working capital facilities to the company.</p> <p>The aggregate amount of loan outstanding as on 31.03.2010 is Rs.4843.75 Lakhs (31.03.2009 is Rs.3482.40 Lakhs).</p>



NAME OF THE BANKS	PARTICULARS OF LOAN	SECURITY
Indian Overseas Bank	FCTL – Rupee Term Loan – Rs. 4000 Lakhs.	Exclusive first charge on Windmill Unit II assets situated at Chinnapudur Village, Erode District, Tamil Nadu. The aggregate amount of loan outstanding as on 31.03.2010 is Rs.3354.95 Lakhs. (31.03.2009 – Rs.4000 Lakhs).
Indian Overseas Bank	Rupee Term Loan of Rs.3371.05 Lakhs.	Exclusive first charge on Windmill Unit IV & V assets situated at Chinnapudur Village, Dharapuram Taluk, Tamil Nadu and Kongalnagaram, Udumalpet Taluk, Tirupur District, Tamil Nadu. The aggregate amount of loan outstanding as on 31.03.2010 Rs.2360 Lakhs (31.03.2009 – Rs.NIL Lakhs).
Indian Bank	Rupee Term Loan of Rs.2980 Lakhs.	Exclusive first charge by way of mortgage and hypothecation on the windmill unit III assets being financed by the bank. The aggregate amount of loan outstanding as on 31.03.2010 Rs.2980.00 Lakhs (31.03.2009 – Rs. 2979.91 Lakhs).
Karur Vysya Bank Limited	Working Capital Limit Rs.750 Lakhs.	Hypothecation of raw materials, stock in process, finished goods of the Spinning Unit I and a second charge on the fixed assets of the company's Spinning Unit I. The aggregate amount outstanding as on 31.03.2010 is Rs. 122.47 lakhs (31.03.2009 –Rs.223.83 Lakhs).
Corporation Bank	Working Capital Limit Rs.2750 Lakhs.	Hypothecation of raw materials, stock in process, finished goods of the Spinning Unit I and a second charge on the fixed assets of the company's Spinning Unit I. The aggregate amount outstanding as on 31.03.2010 is Rs. 14.45 Lakhs (31.03.2009 – Rs. 128.65 Lakhs).
ICICI Bank Limited	Working Capital Limit Rs.1500 Lakhs.	First charge by way hypothecation of raw materials, semi finished and finished goods, consumable stores and spares and other movable properties both present and future for limit up to Rs.500 Lakhs and the balance is secured by unconditional and irrevocable personal guarantee of a Director. The aggregate amount outstanding as on 31.03.2010 is Rs.Nil Lakhs (31.03.2009 – Rs. Nil Lakhs).



NAME OF THE BANKS	PARTICULARS OF LOAN	SECURITY
Oriental Bank of Commerce	Working Capital Limit of Rs.5000 Lakhs.	<p>Pari-pasu first charge on current assets of the company belonging to expansion project along with other banks who have extended working capital finance for expansion project under multiple banking arrangement.</p> <p>Pari-pasu second charge on the fixed assets of the company's expansion project along with other banks who have extended working capital finance for expansion project under multiple banking arrangements.</p> <p>The aggregate amount outstanding as on 31.03.2010 is Rs. 458.86 Lakhs (31.03.2009 - Rs. 131.54 Lakhs).</p>
Indian Overseas Bank	Cash Credit Rs.5000 Lakhs.	<p>Pari-pasu first charge on current assets of the company belonging to expansion project along with other banks who have extended working capital finance for expansion project under multiple banking arrangement.</p> <p>Pari-pasu second charge on the fixed assets of the company's expansion project along with other banks who have extended working capital finance for expansion project under multiple banking arrangements.</p> <p>The aggregate amount outstanding as on 31.03.2010 is Rs. 121.43 Lakhs (31.03.2009 - Rs. 919.16 Lakhs).</p>
Bank of Maharashtra	Cash Credit of Rs.500 Lakhs.	<p>Pari-pasu first charge on current assets of the company belonging to expansion project along with other banks who have extended working capital finance for expansion project under multiple banking arrangement.</p> <p>The aggregate amount outstanding as on 31.03.2010 is Rs.341.60 Lakhs (31.03.2009 - Rs. 287.06 Lakhs).</p>

2. Government of Tamil Nadu Interest Free Sales Tax (IFST) Loan is repayable in monthly installments. The Sales Tax loan carries no interest. The balance outstanding is Rs.569.37 Lakhs (31.03.2009 - Rs. 731.43 Lakhs).
3. The borrowing cost capitalized during the year is Rs.91.31 Lakhs (31.03.2009 - Rs. 105.46 Lakhs).



4. Details of remuneration and perquisites to Managing Director.

i. Details of Commission to Managing Director/Executive Director

Details	For the year ended 31 st March 2010	For the year ended 31 st March 2009
Net Profit as per Profit & Loss A/c	22,34,61,573	9,58,44,284
ADD: Commission to Managing Director (2%)	46,07,453	19,76,171
ADD: Commission to Executive Director (1%)	23,03,727	9,88,085
Profit as per Sec 309 of the Act	23,03,72,752	9,88,08,540
Commission to Managing Director	46,07,453	19,76,171
Commission to Executive Director	23,03,727	9,88,085

ii. Particulars of Remuneration and perquisites to Managing Director

Details	For the year ended 31 st March 2010	For the year ended 31 st March 2009
Salary	24,00,000	24,00,000
Commission	46,07,453	19,76,171
P F Contribution	2,88,000	2,88,000
Perquisites	15,42,018	5,05,673
TOTAL	88,37,471	51,69,844

iii. Particulars of Remuneration and perquisites to Executive Director

Details	For the year ended 31 st March 2010	For the year ended 31 st March 2009
Salary	15,00,000	15,00,000
P F Contribution	1,80,000	1,80,000
Commission	23,03,727	9,88,085
Perquisites	10,15,375	1,63,208
TOTAL	49,99,102	28,31,293

5. Details for Remuneration to Auditors paid/payable

Details	For the year ended 31 st March 2010	For the year ended 31 st March 2009
Fee for audit work	2,50,000	1,75,000
Fee for Tax Audit	75,000	50,000
Fee for Taxation work	1,63,670	1,12,000
Fee for Certification/Others	2,05,570	1,47,160
TOTAL	6,94,240	4,84,160



6. Estimated amount of contracts to be executed on the capital accounts and not provided for amounts to Rs.1421.40 Lakhs (31.03.2009 – Rs.2433.71 Lakhs) approximately.
7.
 - a) Aggregate value of unquoted Investments : Rs.9,09,58,750/- (Rs. 5,96,05,400/-)
 - b) Aggregate value of Quoted Investments : Rs.2,05,37,845/- (Rs.2,05,37,845/-)
 - c) Aggregate market value of Quoted Investments : Rs. 11,20,19,375/- (Rs. 4,15,70,220/-)
8.
 - a) The Company has not received information from its creditors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures relating to their outstanding amount and interest has not been given.
 - b) No amount is due for credit to Investor Education and Protection Fund.
9. The funds raised by way of Public Issue have been fully utilized for the purposes for which it was raised.
10.
 - a) Amounts due from Officers of the Company during the year is Rs.29,84,337(31.03.2009 - Rs. 20,62,866).
 - b) Maximum amount due from Officers during the year is Rs. 31,94,837/- (31.03.2009 - Rs. 25,58,239).
11. Disclosures pursuant to AS 28- on Impairment of Assets – During the year, the company has reviewed the carrying value of the assets for finding out the impairment, if any. The review has revealed that there is no impairment of assets in terms of Accounting Standard 28.
12. Figures are rounded off to the nearest rupee.
13. Previous year figures have been regrouped / reclassified wherever necessary. The previous year comparative figures have been given in brackets.
14. Basic and Diluted Earnings per Share:

Details	For the year ended 31 st March 2010	For the year ended 31 st March 2009
Profit for the year attributable to Equity Shareholders (Rs.)	15,05,59,745	8,04,83,951
Weighted average number of Equity Shares.	1,57,54,269	1,57,54,269
Basic and Diluted Earnings per share (Rs.)	9.56	5.11
Nominal Value of Share (Rs.)	10.00	10.00

15. Related Party Transactions:

I Key Management Personnel	Dr S V Balasubramaniam, Chairman Sri S V Alagappan, Vice Chairman Sri S V Arumugam, Managing Director Sri S K Sundararaman, Executive Director
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Related Party	Shiva Distilleries Limited Shiva Texyarn Limited Bannari Amman Sugars Limited Anamallais Automobiles Private Limited Annamallai Infrastructures Limited Shiva Cargo Movers Limited Bannari Amman Apparel Private Limited Bannari Amman Flour Mill Limited Sakthi Murugan Transports Private Limited Anamallais Agencies Private Limited
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Relationship Enterprises in which the Key management Personnel or their 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 31.03.2010
	Rs.	(Rs.)	
Purchase of Yarn	Rs. 73,69,596	(Rs.2,90,41,441/-)	
Conversion Charges	Rs. 6,46,951	(Rs. 21,99,863/-)	NIL (31.03.2009 - NIL)
Rent Paid	Rs. 6,48,540	(Rs. 6,99,426/-)	
Sale of Asset	Rs. Nil	(Rs. 5,76,923/-)	

III Remuneration to key management Personnel disclosed in schedule No. 24 in accounts read with Note No.4 in Notes on accounts.

16. Contingent Liability:

The Company has an obligation under the EPCG scheme to export yarn/fabric of a value of Rs. 511.28 Crores (31.03.2009 - Rs. 559 Crores) over a period of 5 years from the financial year 2010-2011.

17. The net deferred tax liabilities as at 31.03.2010 comprise the following as per the Accounting Standard 22.

Details	As at 31.03.2010 (Rs.)	As at 31.03.2009 (Rs.)
Deferred Tax Liability on A/c of Depreciation	72,40,86,289	54,32,80,105
Deferred Tax Assets on A/c of Carried forward Loss	35,52,36,242	24,73,31,885
Net Deferred Tax Liability	36,88,50,047	29,59,48,220

18. The company has invested Rs.815.53 Lakhs (Rs.500 Lakhs) in the equity shares of Bannari Amman Apparel Private Limited (A Joint venture of the Company) as on 31.03.2010. The company has a further capital commitment of Rs.122.47 Lakhs towards purchase of shares of the Joint venture entity.



19. Details of interest In Joint Venture Company

Name of the Company	Country of Incorporation	Percentage of voting power held as on 31.03.2010	Percentage of voting power held as on 31.03.2009
Bannarl Amman Apparel Private Limited	India	25	25

The proportionate interest of the Company in the Joint Venture entity as on 31.03.2010 is given under (Rs. in Lakhs)

Financial Year Ended	Assets	Liabilities	Contingent Liabilities	Income	Expenditure
31.3.2010*	1954.11	1686.18	205.00	1043.53	1421.94
31.3.2009	1707.50	1159.25	292.00	727.25	1061.25

* Based on unaudited accounts for the year ended 2009 - 2010.

20. Details of Foreign currency Exposures

Particulars	Outstanding foreign currency exposures as at 31.03.2010	Outstanding derivative Instruments	Exposures not covered by derivative Instruments
Cotton Import	USD 28,40,543	USD 22,71,597.60	USD 5,48,945.40
Machinery Import	Euro 4,95,000	Euro 4,95,000	Nil
FCNR Loan	USD 70,68,955 (31.03.2009 - USD 92,76,433)	USD 63,76,650 (31.03.2009 - USD 88,76,433)	USD 6,92,305 (31.03.2009 - USD 4,00,000)
Export Sales	USD 14,31,302.92 (31.03.2009 - USD 7,98,857)	Nil (31.03.2009 - USD 4,00,000)	USD 14,31,302.92 (31.03.2009 - USD 3,98,857)

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

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

Particulars	For the year 2009 - 2010	For the year 2008 - 2009
Provident Fund	14,14,334	10,40,847
Family Pension Fund	13,96,706	14,56,333
Employees State Insurance	8,90,816	5,87,141
Employees Group Gratuity	22,96,877	27,39,739



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

A. CAPACITY, PRODUCTION, STOCKS AND TURNOVER:

PRODUCT	INSTALLED CAPACITY	
	31.03.2010	31.03.2009
YARN	1,37,232 Spindles	1,37,232 Spindles
FABRIC	135 Looms	135 Looms
WIND ENERGY	23400 KW	23400 KW
PROCESSING	24,00,000 Mtrs per year	24,00,000 Mtrs per year

PRODUCT	YARN (Kgs)	COTTON WASTE (Kgs)	FABRIC (Mtrs)	WIND ENERGY (Units)	MADE UPS (Pcs)	COATED FABRIC (Mtrs)	QUICK DRY (Mtrs)
Opening	6,58,943	2,12,635	9,64,591	-	5,163	1,50,853	8,709
Stock	(8,56,917)	(2,28,151)	(3,25,742)	(-)	(5,163)	(64,210)	(1,787)
Production	1,92,60,466	61,17,516	62,04,894	5,22,26,911	-	17,41,909	1,09,754
	(1,78,09,252)	(55,64,256)	(42,89,664)	(2,98,75,052)	(-)	(11,52,877)	(58,333)
Purchase	83,187	-	-	-	-	-	437
	(2,35,466)	(-)	(1,79,026)	(-)	(-)	(-)	(-)
External	1,88,16,400	56,62,219	65,99,256	-	-	17,08,009	1,05,360
Sales	(176,87,730)	(55,79,770)	(38,29,840)	(-)	(-)	(10,66,233)	(51,410)
Inter division	6,06,891	-	-	5,22,26,911	437	-	-
transfer	(5,54,964)	(-)	(-)	(2,98,75,052)	-	(-)	(-)
Sale Value of							
External	2,59,58,14,884	23,54,43,508	43,79,84,864	-	-	14,81,35,439	3,96,09,754
Sales (Rs.)	(2,19,93,55,813)	(21,53,09,221)	(30,41,98,208)	(-)	(-)	(9,31,76,602)	(1,42,64,638)
Closing	5,79,142	6,67,933	5,70,229	-	4,726	1,84,753	13,540
Stock	(6,58,943)	(2,12,636)	(9,64,592)	(-)	(5,163)	(1,50,853)	(8,709)

B. RAW MATERIAL CONSUMED

PRODUCT	For the year ended 31.03.2010		For the year ended 31.03.2009	
	Quantity (Kgs.)	Value (Rs.)	Quantity (Kgs.)	Value (Rs.)
Cotton	2,56,31,728	1,90,13,44,424	2,34,60,880	1,62,19,12,838
Yarn (purchased)	11,91,781	22,04,88,249	9,37,833	17,33,45,146
Yarn (Inter division)	6,12,779	-	5,54,964	-
Nylon Tow	1,72,295	2,94,87,280	1,21,952	2,13,34,329



C. VALUE OF IMPORTED/INDIGENOUS MATERIALS CONSUMED

PRODUCT	For the year ended 31.03.2010		For the year ended 31.03.2009	
	Quantity (Kgs.)	Value (Rs.)	Quantity (Kgs.)	Value (Rs.)
Raw Material	Value (Rs.)	%	Value (Rs.)	%
Cotton-Imported	20,21,34,895	10.63	21,97,47,105	13.55
Cotton-Indigenous	1,69,92,09,529	89.37	1,40,21,65,733	86.45
Yarn - Imported	2,00,300	00.09	-	-
Yarn - Indigenous	22,02,87,949	99.91	17,33,45,146	100
Nylon Tow - Import	1,00,83,466	34.20	-	-
Nylon Tow - Indigenous	1,94,03,814	65.80	2,13,34,329	100
Stores & Spares				
Imported	1,87,92,594	26.96	78,51,812	7.26
Indigenous	5,09,25,461	73.04	10,03,21,564	92.74

D. IMPORTS - CIF VALUE (In Rupees)

	For the year ended 31.03.2010	For the year ended 31.03.2009
Raw Materials	30,61,05,558	25,99,45,240
Capital Goods & Spares	12,93,86,242	6,64,82,607

E. EXPENDITURE IN FOREIGN CURRENCY (In Rupees)

	For the year ended 31.03.2010	For the year ended 31.03.2009
Royalty, Know how, Professional/ Consultation Fees	NIL	NIL
Interest & Others	3,28,52,538	4,02,12,880
Traveling Expenses	19,80,142	7,90,277

**F. AMOUNT REMITTED IN FOREIGN CURRENCY (In Rupees)**

	For the year ended 31.03.2010	For the year ended 31.03.2009
Amount remitted on account of Dividend	1,35,171	2,34,402
No. of Non-resident Shareholders	106	115
No. of shares held by them	1,35,171	1,17,201
Year to which the dividend related	2008 - 09	2007 - 08

G. EARNINGS IN FOREIGN EXCHANGE (in Rupees)

	For the year ended 31.03.2010	For the year ended 31.03.2009
Export of goods on FOB Basis	81,64,70,827	46,64,49,051

Signatures for schedules 1 to 24 above, vide our report annexed.

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

P R VITTEL
Partner

Membership No. 200 / 18111
Coimbatore
Firm Regn. No. 0033285

S V BALASUBRAMANIAM
Chairman

S V ARUMUGAM
Managing Director

S V ALAGAPPAN
Vice Chairman

N KRISHNARAJ
Company Secretary



CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2010

	31.03.2010	31.03.2009
I. CASH FROM OPERATING ACTIVITIES		
Net Profit before taxation & Extraordinary Items	2,234.62	958.44
Adjustments for:		
Depreciation	2,565.30	2,180.84
Interest Income	(53.91)	(45.55)
Dividend Income	(31.21)	(50.07)
Interest expenses	2,041.31	1,479.69
Foreign Exchange Fluctuation	341.34	(599.62)
Profit / Loss on sale of asset	-	(1.41)
	4,862.84	2,963.88
Operating profit before working capital changes	7,097.45	3,922.33
Debtors	(873.05)	(620.61)
Inventories	658.72	(248.73)
Other Current Assets	583.33	(1,095.97)
Current Liabilities	(1,625.84)	2,289.45
	(1,256.84)	324.14
Cash generation from operations	5,840.61	4,246.48
Less: Income taxes paid	(384.44)	(129.01)
Net cash from operations	5,456.17	4,117.47
II. CASH FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(3,712.58)	(7,116.63)
Proceeds from sale of assets	-	5.77
Interest Income	53.91	45.55
Dividend Income	31.21	50.07
Purchase of Investments	(315.53)	(200.00)
Increase in Advance for Capital Expenses	(3,462.12)	2,398.30
	(7,405.12)	(4,816.94)
III. CASH FROM FINANCING ACTIVITIES		
Increase in Share Capital	-	-
Increase in Share Premium	-	-
Increase in Preliminary Expenses	-	-
Decrease in long term borrowing IFST Loan	(162.07)	(185.59)
Increase in short term borrowing	2,907.55	(2,930.00)
Increase in Long Term Borrowings	2,508.77	4,176.75
Interest paid	(2,098.55)	(1,471.77)
Dividend Paid	(184.32)	(368.64)
	2,971.38	(779.25)
Net decrease in cash and cash equivalents	1,022.44	(1,478.73)
Opening cash and bank balances	391.18	1,869.91
Closing cash and bank balances	1,413.62	391.18
Net decrease in cash and cash equivalents	1,022.44	(1,478.73)

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

P R VIITEL
Partner

Membership No. 200 / 18111
Colombatore
Firm Regn. No. 0033285

S V BALASUBRAMANIAM
Chairman

S V ARUMUGAM
Managing Director

S V ALAGAPPAN
Vice Chairman

N KRISHNARAJ
Company Secretary

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

I Registration Details			
Registration No.	181-2476	State Code	18
Balance Sheet Date	31 03 2010		
II Capital raised during the year (Amount in Rs.Thousands)			
Public Issue	N I L	Rights Issue	N I L
Bonus Issue	N I L	Private Placement	N I L
III Position of Mobilisation and Deployment of Funds (Amount In Rs. Thousands)			
Total Liabilities	6812686	Total Assets	6812686
Sources of Funds			
Paid up Capital	157543	Unsecured Loans	56936
Secured Loans	4660965	Reserves & Surplus	1568391
Deferred Tax	368850		
Application of Funds			
Net Fixed Assets	4725387	Investments	111696
Net Current Assets	1949974	Miscellaneous Expenditure	N I L
Accumulated Losses	N I L		
IV Performance of the Company (Amount in Rs. Thousands)			
Turnover	3551251	Total Expenditure	3327790
Profit before Tax	223461	Profit after Tax	150559
Earnings per Share In	Rs. 9.56	Dividend Rate	15%
V Generic Names of Three Principal Products/Services of the Company (as per monetary terms)			
Item Code No. (ITC Code)	520511.01		
Product Description	COTTON YARN - GREY		

For P N RAGHAVENDRA RAO & CO.
Chartered Accountants

P R VITTEL
Partner

Membership No. 200 / 18111
Colombatore
Firm Regn. No. 0033285

S V BALASUBRAMANIAM
Chairman

S V ARUMUGAM
Managing Director

S V ALAGAPPAN
Vice Chairman

N KRISHNARAJ
Company Secretary

BANNARI AMMAN SPINNING MILLS LTD

Regd. Office : 252, Mettupalayam Road, Coimbatore - 641 043

ATTENDANCE SLIP

(Please hand over this at the entrance of the Meeting Hall)

Name of the Member			
DP ID Number		Client ID Number	
Member's Folio Number		No. of Shares held	
Name of the Proxy (In BLOCK LETTERS) to be filled if the proxy attends instead of the member			

I hereby record my presence at the Twentieth Annual General Meeting held on the 20th September 2010 at 10.15 a.m. at Nani Kalal Arangam, Mani Higher Secondary School, Pappanaickeripalayam, Coimbatore - 641037.

Member's / Proxy's Signature



BANNARI AMMAN SPINNING MILLS LTD

Regd. Office: 252, Mettupalayam Road, Coimbatore - 641 043

PROXY FORM

I/Weof
.....being a Member / Members of Bannari Amman Spinning Mills Ltd.,
hereby appoint..... ofor
failing him ofor
failing him ofas
my/our Proxy to attend and vote for me / us on my / our behalf at the Twentieth Annual General Meeting
of the Company to be held on the 20th September 2010 and at any adjournment thereof.

Signed this day of 2010

Affix
1 Rupee
Revenue
Stamp

DP ID Number		Client ID Number	
Member's Folio Number		No. of Shares held	

NOTE : The Proxy form must be deposited at the Registered Office of the Company at 252, Mettupalayam Road, Coimbatore - 641 043, not less than forty-eight hours before the time for holding the aforesaid meeting.

NO GIFTS WILL BE DISTRIBUTED AT THE MEETING

BANNARI AMMAN



BANNARI AMMAN
Spinning Mills Ltd.

252, Mettupalayam Road, Coimbatore - 641 043, Tamil Nadu, India
Ph : 91-422-2435555 / 2447959 Fax : 91-422-2430233 / 2434446
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