

THANJAVUR SPINNING MILL LIMITED



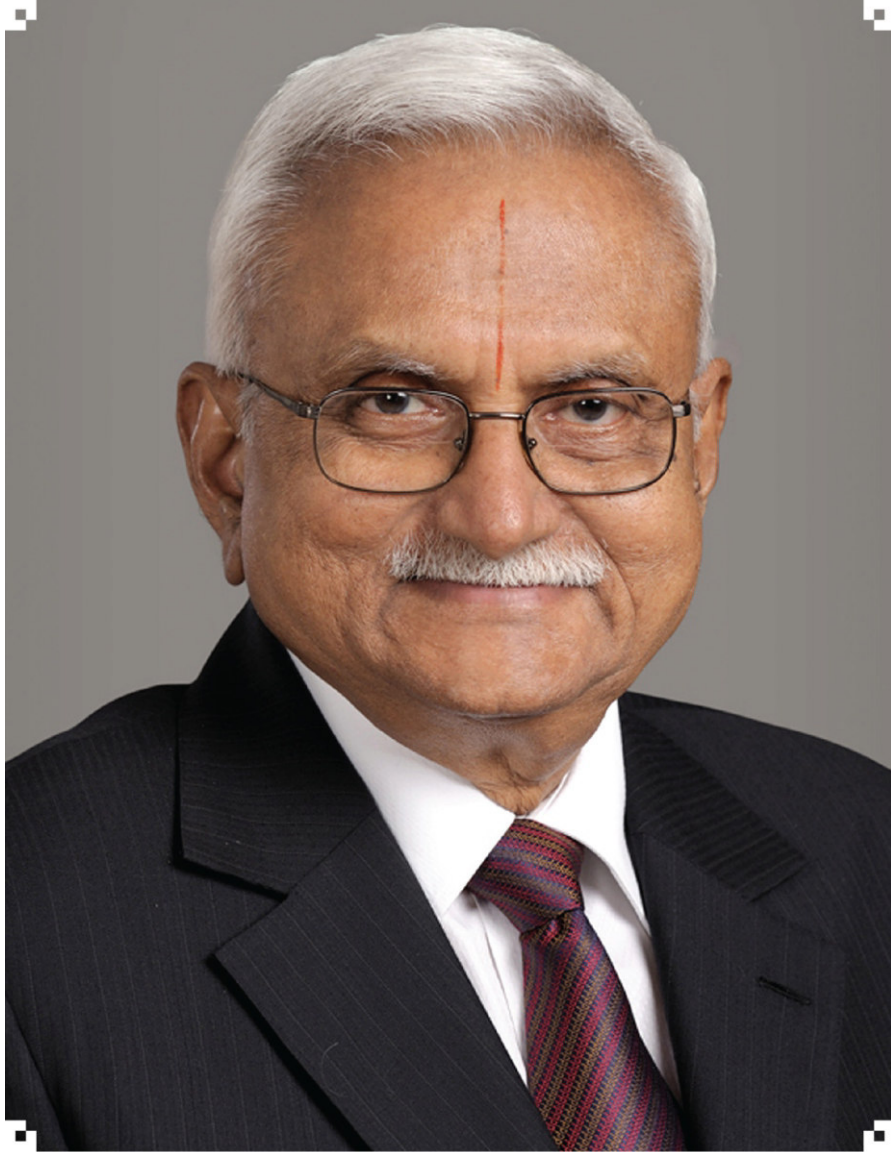
**FIFTY EIGHTH ANNUAL REPORT AND ACCOUNTS
2019 - 2020**



SHRI K. TIRUVENGADA MUDALIAR
Founder



SHRI P.A.C. RAMASAMY RAJA



"Gurubakthamani"
SHRI P.R. RAMASUBRAHMANEYA RAJHA
Sridharmarakshakar - Ramco Group



THANJAVUR SPINNING MILL LIMITED

BOARD OF DIRECTORS

Shri S. KANTHIMATHINATHAN, M.Sc., (Tech)
Shri P.J. RAMKUMAR RAJHA, B.Com.,
Shri P.A.S. KRISHNAMA RAJA, B.Com.,

Chief Financial Officer

Shri G. Ramachandran

Auditors

M/s. M.S. Jagannathan &
N. Krishnaswami,
Chartered Accountants,
No.5, GF Abirami Apartments,
14, VOC Road, Contonment,
Trichy – 620 001.

Registered Office

"Rajapalayam Mills Premises",
P.A.C. Ramasamy Raja Salai,
Rajapalayam - 626 117, Tamil Nadu.

E-mail: tsml@ramcotex.com

Phone:04563-235666

Fax:04563-236520

Web Site

www.thanjavurspinningmill.co.in

Coporate Identification Number

U17111TN1961PLC004505

THANJAVUR SPINNING MILL LIMITED

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THANJAVUR SPINNING MILL LIMITED

NOTICE TO THE MEMBERS

Notice is hereby given that the 58th Annual General Meeting of the Company will be held at 12.00 P.M. on Tuesday, the 15th September, 2020. This Annual General Meeting is being conducted through Video Conferencing (VC), Other Audio Visual Means (OAVM) the details of which are provided in the Notes to this Notice. The following are the businesses that would be transacted at this Annual General Meeting.

ORDINARY BUSINESS - ORDINARY RESOLUTION

1. To consider and pass the following Resolution, as an ORDINARY RESOLUTION:
“RESOLVED that the Company's Audited Financial Statements for the year ended 31st March, 2020, and the Reports of the Board of Directors and Auditors thereon be and are hereby considered and adopted.”
2. To consider and pass the following Resolution, as an ORDINARY RESOLUTION:
“RESOLVED that Shri S.Kanthimathinathan (DIN: 01124581), who retires by rotation, be and is hereby re-appointed as Director of the Company.”

SPECIAL BUSINESS – SPECIAL RESOLUTION

3. To consider and pass the following Resolution, as a SPECIAL RESOLUTION:
"RESOLVED that pursuant to Section 149, 152 and such other provisions as applicable, of the Companies Act, 2013 and the Rules thereunder, Shri P.A.S. Krishnama Raja (DIN 00487322), Independent Director of the Company, whose term ends on 18-05-2021 be re-appointed as Independent Director for another term of 5 years starting from 19-05-2021 to 18-05-2026."
4. To consider and pass the following Resolution, as a SPECIAL RESOLUTION:
"RESOLVED that pursuant to Section 149, 152 and such other provisions as applicable, of the Companies Act, 2013 and the Rules thereunder, Shri P.J. Ramkumar Rajha (DIN 00487193), Independent Director of the Company, whose term ends on 18-05-2021 be re-appointed as Independent Director for another term of 5 years starting from 19-05-2021 to 18-05-2026."

By Order of the Board,
For THANJAVUR SPINNING MILL LIMITED,

RAJAPALAYAM,
24th June, 2020.

P.A.S. KRISHNAMA RAJA
CHAIRMAN OF THE MEETING

THANJAVUR SPINNING MILL LIMITED

NOTICE

NOTES:

1. Statement pursuant to Section 102 of the Companies Act, 2013, setting out the material facts concerning each item of Special Business is annexed hereto.
2. The Company has chosen to conduct this Annual General Meeting in through Video Conferencing, in view of COVID-19 virus outbreak. The Annual General Meeting would be conducted in accordance with the -
 - (i) General Circulars No: 14/2020, 17/2020 and 20/2020 dated 8th April, 2020, 13th April, 2020 and 5th May, 2020, respectively, issued by Ministry of Corporate Affairs, Government of India and
 - (ii) Such other instructions that may be issued by Statutory Authorities.

ATTENDING THE ANNUAL GENERAL MEETING THROUGH VIDEO CONFERENCE BY THE MEMBERS

3. The Company would be providing the Central Depository Services (India) Limited (CDSL) system for the members to cast their vote through remote e-voting and participate in the Annual General Meeting through Video Conference. Members may access the same at **<https://www.evotingindia.com>** under shareholders / members login by using the remote e-voting credentials. The link for Video Conference will be available in shareholder / members login where the EVSN of Company will be displayed.
4. The Members can join the Annual General Meeting in the Video Conference mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in this Notice. The facility of participation at the Annual General Meeting through Video Conference will be made available to at least 1000 members on first come first served basis. This will not include Members holding 2% or more shareholding, Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc., who are allowed to participate in the Annual General Meeting.
5. Members are requested to join the Meeting through Laptops / IPads for better experience and will be required to have webcam and use Internet with a good speed to avoid any disturbance during the meeting.

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NOTICE

6. Members are requested to use Stable Wi-Fi or LAN Connection to mitigate Audio / Video loss due to fluctuation in your network. Please avoid connecting through your Mobile Devices or Tablets or through Laptop via Mobile Hotspot.
7. Members who would like to express their views / ask questions during the meeting may register themselves as a speaker by sending their request at least 3 days prior to meeting mentioning your name, demat account number / folio number, email id, mobile number (as registered with the Depository Participant/Company) to the mail id: **tsml@ramcotex.com**. Members who have registered themselves as a speaker will only be allowed to express their views / ask questions during the meeting.
8. Members who do not wish to speak during the AGM but have queries may send your queries at least 3 days prior to meeting mentioning your name, demat account number / folio number, email id, mobile number to the mail id: **tsml@ramcotex.com**. These queries will be replied by the Company suitably by email.
9. Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc..) and Custodians are required to log on to **www.evotingindia.com** and register themselves in the “Corporates” module.
 - * A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to **helpdesk.evoting@cdslindia.com**.
 - * After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - * The list of accounts linked in the login should be mailed to **helpdesk.evoting@cdslindia.com** and on approval of the accounts they would be able to cast their vote.
 - * A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

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- * Alternatively Non Individual shareholders are required to send the relevant Board Resolution / Authority letter etc., together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at **tsml@ramcotex.com**, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.
10. The attendance of the Members attending the Annual General Meeting through Video Conference will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
 11. Proxy forms are not being sent to shareholders, as the meeting is being conducted through Video Conference.
 12. The Company is also releasing a Public Notice by way of advertisement being published in English in Business Line (All editions) and in Tamil in Dinamani (Madurai edition), containing the following information:
 - * Convening of Annual General Meeting through Video Conference in compliance with applicable provisions of the Act.
 - * Date and Time of the Annual General Meeting.
 - * Availability of Notice of the Meeting on the website of the Company and at the website of CDSL.
 - * Requesting the members who have not registered their E-Mail addresses with the Company, to get the same registered with the Company.
 13. The cut-off date will be Wednesday the 9th September, 2020 for determining the eligibility to vote by remote e-voting or in the General Meeting.
 14. Despatching of physical copies of the financial statements (including Board's report, Auditor's report or other documents required to be attached therewith), has been dispensed with. Such statements are being sent only by email to the members, trustees for the debenture-holders and to all other persons so entitled. The Annual Report will also be made available on the Company's Website – **www.thanjavurspinningmill.co.in** for their download.
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THANJAVUR SPINNING MILL LIMITED

NOTICE

15. Voting through electronic means

- A. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is providing members facility to exercise their right to vote at the 58th Annual General Meeting (AGM) by electronic means and the business may be transacted through such voting, through e-voting Services provided by Central Depository Services (India) Limited (CDSL).
- B. The facility for remote e-voting shall remain open from 9.00 A.M. on Saturday, the 12th September, 2020 to 5.00 P.M. on Monday the 14th September, 2020. During this period, the Members of the Company, holding Shares either in physical form or in dematerialised form, as on the cut-off-date, viz., Wednesday, the 9th September, 2020, may opt for remote e-Voting. E-Voting shall not be allowed beyond 5.00 P.M. on 14th September, 2020.
- C. The facility for voting through electronic voting system shall also be made available at the meeting and members participating the meeting through video conferencing who have not already cast their vote by remote e-Voting shall be able to exercise their right at the meeting. If any votes are cast by the members through e-Voting available during the AGM and if the same members have not participated in the meeting through Video Conferencing, then the vote cast by such members shall be considered invalid as the facility of e-Voting during the meeting is available only to the members attending the meeting.
- D. The members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

The instructions for e-voting are as under:

- i) To log on to the e-voting website **www.evotingindia.com**
- ii) To Click on Shareholders tab.
- iii) Now enter your User ID as given below:
 - ▶ For CDSL: 16 Digits beneficiary ID,
 - ▶ For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

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- ▶ Members holding Shares in Physical Form should enter Folio Number registered with the Company (or) Alternatively, if the member has already registered for CDSL's EASI/EASIEST e-Services, he can login at <https://www.cdslindia.com> from login - Myeasi using the login credentials. On successful login to CDSL's EASI / EASIEST e-services, the Member should click on e-Voting option and proceed directly to cast the vote electronically.
- iv) Next enter the Captcha Code as displayed and Click on Login.
- v) PASSWORD

If you are holding Shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.

If you are first time user follow the steps given below:

- a) Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat Shareholders as well as physical Shareholders).

Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the Folio No. / Client ID in the PAN field.

In case the Folio No. is less than 8 digits, enter the applicable number of 0's before the Folio No. to make it 8 digits after the first two characters of the name in CAPITAL letters. Eg. If your name is A.Pandi with folio number 1 then enter AP00000001 in the PAN Field.

- b) Please enter any one of the following details in order to login:

Date of Birth: Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.

Dividend Bank Details: Please enter Dividend Bank Details as recorded in your demat account or in the Company records.

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If both of the above details are not recorded with the depository or Company, please enter the User ID [mentioned in (iii) above] in the Dividend Bank details field.

- vi) Members holding Shares in physical form will then directly reach the Company selection screen. However, members holding Shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to Share your password with any other person and take utmost care to keep your password confidential.
- vii) For members holding Shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- viii) Click on the relevant EVSN for THANJAVUR SPINNING MILL LIMITED on which you choose to vote.
- ix) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or No as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- x) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolutions.
- xi) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- xii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xiii) You can also take out print of the voting done by you clicking on “Click here to Print” option on the Voting page. It need not be sent to the Company.

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- xiv) If demat account holder has forgotten the changed password then Enter the User ID and Captcha Code and click on Forgot Password & enter the details as prompted by the system.
- xv) Members can also cast their vote using CDSL's Mobile App "m-Voting". This App can be downloaded from the Google Play Store or Apple App Store. Please follow instructions as prompted by the Mobile App while casting your vote through remote e-voting.
- xvi) Process for those Shareholders whose e-mail addresses / Bank details are not registered with the Depositories / Company for obtaining login credentials for e-Voting:

Physical shareholders: Please provide Folio No., Name, e-mail id, scanned copy of the share certificate (front and back), self-attested scanned copy of PAN card, self-attested scanned copy of Aadhaar Card, scanned copy of cancelled cheque leaf bearing the name of the member alongwith the Specimen Signature of the Member duly attested by the Bank Manager, where the Member is operating his bank account [the attestation should clearly carry the particulars of the bank manager, viz. his staff serial number, name and branch details], by email to **tsml@ramcotex.com**.

Demat shareholders: Please provide Name, e-mail id, client master or copy of Consolidated Account statement, self-attested scanned copy of PAN card, self-attested scanned copy of Aadhaar Card, scanned copy of cancelled cheque leaf bearing the name of the member alongwith the Specimen Signature of the Member duly attested by the Bank Manager, where the Member is operating his bank account [the attestation should clearly carry the particulars of the Bank Manager, viz. his staff serial number, name and branch details], by email to **tsml@ramcotex.com**. The Demat shareholder are also advised to update the above details with CDSL / NSDL (i.e. Depository) through their Depository Participant where they are operating their Demat Accounts.

The Company shall co-ordinate with CSDL and provide the login credentials to the above mentioned shareholders.

- E. In case you have any queries or issues regarding attending AGM & e-Voting, you may refer the Frequently Asked Questions ("FAQs") and e-Voting manual available at **www.evotingindia.com** under help section or write an email to **helpdesk.evoting@cdslindia.com** or contact Mr. Nitin Kunder (022-2305 8738) or Mr. Mehboob Lakhani (022-2305 8543) or Mr. Rakesh Dalvi (022-2305 8542). Alternatively, members may write to the Chief Financial Officer at email Id: **tsml@ramcotex.com** or contact at telephone number: 04563-235666.
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NOTICE

- F. The voting rights of Shareholders shall be in proportion to the Shares held by them in the paid up equity Share capital of the Company as on Wednesday, the 9th September, 2020.
16. Shri K. Srinivasan, Chartered Accountant (Membership No: 21510), Partner, M/s. M.S. Jagannathan & N. Krishnaswami, Chartered Accountants, will act as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
17. The Scrutinizer shall immediately after conclusion of voting at the Annual General Meeting, unblock the votes cast through remote e-voting and make not later than 3 days of conclusion of the Meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or person authorised by him in writing who shall countersign the same and the Chairman or a person authorised by him in writing shall declare the result of the voting forthwith.

By Order of the Board,
For THANJAVUR SPINNING MILL LIMITED,

RAJAPALAYAM,
24th June, 2020.

P.A.S. KRISHNAMA RAJA
CHAIRMAN OF THE MEETING

THANJAVUR SPINNING MILL LIMITED

NOTICE

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 3

Shri P.A.S. Krishnama Raja (DIN 00487322) aged 43 is a Non-Executive Independent Director of the Company.

At the Annual General Meeting held on 10-08-2016, Shri P.A.S. Krishnama Raja was appointed as Independent Director of the Company, for a period of 5 years starting from 19-05-2016 to 18-05-2021. In accordance with Section 149 (10) of the Companies Act, 2013, he is eligible for re-appointment upon passing of a Special Resolution at the General Meeting of the Company.

In accordance with Schedule IV of the Companies Act, 2013, the Board of Directors have evaluated the performance of Shri P.A.S. Krishnama Raja as an Independent Director and found the same to be satisfactory and his contributions to the deliberations were beneficial in Board / Committee Meetings.

On the basis of Performance Evaluation of Independent Directors, the Nomination and Remuneration Committee at its meeting held on 23-06-2020 had recommended to extend the term of office of Shri P.A.S. Krishnama Raja by re-appointing him for another period of 5 years starting from 19-05-2021 to 18-05-2026.

He has furnished a declaration pursuant to Section 149(6) of the Companies Act, 2013 that he meets the criteria of independence and hence eligible for re-appointment as an Independent Director. In accordance with Proviso to Section 152(5) of the Companies Act, 2013, the Board of Directors have also formed an opinion that Shri P.A.S. Krishnama Raja fulfills the conditions specified in the Companies Act, 2013 for such re-appointment.

Shri P.A.S. Krishnama Raja is eligible for sitting fee for attending Board / Committee Meetings as applicable to the Directors from time to time. His re-appointment is in accordance with Nomination and Remuneration Policy of the Company.

His re-appointment has been included as Special Resolution and the Board of Directors recommend his re-appointment.

THANJAVUR SPINNING MILL LIMITED

NOTICE

His Profile in brief is given below:-

Shri P.A.S. Krishnama Raja, holds a degree in Commerce. He has been on the Board of Thanjavur Spinning Mill Limited since 2016. He has more than 20 years of experience in Textile Industry.

He is a Director in the following Companies:-

- 1) Sandhya Spinning Mill Limited
- 2) Thirupathi YarnTex Spinners Private Limited

He is also a Member in the following Committees:-

Name of the Company	Name of the Committee	Position Held (Chairperson / Member)
Thanjavur Spinning Mill Limited	Audit Committee	Member
	Nomination and Remuneration Committee	Member
	Stake holders Relationship Committee	Member
Sandhya Spinning Mill Limited	Audit Committee	Member
	Nomination and Remuneration Committee	Member

He holds no shares in Thanjavur Spinning Mill Limited.

The draft letter of re-appointment for Shri P.A.S. Krishnama Raja as an Independent Director, setting out the terms and conditions is available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours on any working day upto the date of the Annual General Meeting.

Disclosure of Interest:

Except Shri P.A.S. Krishnama Raja, being the appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is interested in the Resolution.

THANJAVUR SPINNING MILL LIMITED

NOTICE

Item No. 4

Shri P.J. Ramkumar Rajha (DIN 00487193) aged 58 is a Non-Executive Independent Director of the Company.

At the Annual General Meeting held on 10-08-2016, Shri P.J. Ramkumar Rajha was appointed as Independent Director of the Company, for a period of 5 years starting from 19-05-2016 to 18-05-2021. In accordance with Section 149 (10) of the Companies Act, 2013, he is eligible for re-appointment upon passing of a Special Resolution at the General Meeting of the Company.

In accordance with Schedule IV of the Companies Act, 2013, the Board of Directors have evaluated the performance of Shri P.J. Ramkumar Rajha as an Independent Director and found the same to be satisfactory and his contributions to the deliberations were beneficial in Board / Committee Meetings.

On the basis of Performance Evaluation of Independent Directors, the Nomination and Remuneration Committee at its meeting held on 23-06-2020 had recommended to extend the term of office of Shri P.J. Ramkumar Rajha by re-appointing him for another period of 5 years starting from 19-05-2021 to 18-05-2026.

He has furnished a declaration pursuant to Section 149(6) of the Companies Act, 2013 that he meets the criteria of independence and hence eligible for re-appointment as an Independent Director. In accordance with Proviso to Section 152(5) of the Companies Act, 2013, the Board of Directors have also formed an opinion that Shri P.J. Ramkumar Rajha fulfills the conditions specified in the Companies Act, 2013 for such re-appointment.

Shri P.J. Ramkumar Rajha is eligible for sitting fee for attending Board / Committee Meetings as applicable to the Directors from time to time. His re-appointment is in accordance with Nomination and Remuneration Policy of the Company.

His re-appointment has been included as Special Resolution and the Board of Directors recommend his re-appointment.

His Profile in brief is given below:-

Shri P.J. Ramkumar Rajha, holds a degree in Commerce. He has been on the Board of Thanjavur Spinning Mill Limited since 2016. He has more than 25 years of experience in Textile Industry.

THANJAVUR SPINNING MILL LIMITED

NOTICE

He is a Director in the following Companies:-

- 1) The Ramaraju Surgical Cotton Mills Limited
- 2) Rajapalayam Precision Farmers Producer Company Limited
- 3) Sri Harini Textiles Limited
- 4) Cotton Sourcing Company Limited
- 5) Senthur Textiles Private Limited
- 6) Rajapalayam Textile Limited
- 7) Madras Chip Boards Ltd.

He is also a Member in the following Committees:-

Name of the Company	Name of the Committee	Position Held (Chairperson / Member)
Thanjavur Spinning Mill Limited	Audit Committee	Chairperson
	Nomination and Remuneration Committee	Chairperson
	Stake holders Relationship Committee	Chairperson
The Ramaraju Surgical Cotton Mills Limited	Audit Committee	Member
	Nomination and Remuneration Committee	Member
	Corporate Social Responsibility Committee	Member
	Stake holders Relationship Committee	Member
	Sale Committee - Silvassa Division	Member

He holds no shares in Thanjavur Spinning Mill Limited.

The draft letter of re-appointment for Shri P.J. Ramkumar Rajha as an Independent Director, setting out the terms and conditions is available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours on any working day upto the date of the Annual General Meeting.

Disclosure of Interest:

Except Shri P.J. Ramkumar Rajha, being the appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is interested in the Resolution.

By Order of the Board,
For THANJAVUR SPINNING MILL LIMITED,

RAJAPALAYAM,
24th June, 2020.

P.A.S. KRISHNAMA RAJA
CHAIRMAN OF THE MEETING

THANJAVUR SPINNING MILL LIMITED

DIRECTORS' REPORT

TO THE MEMBERS

Your Directors have pleasure in presenting their 58th Annual Report and the Audited Accounts of the Company for the year ended 31st March, 2020.

1. FINANCIAL RESULTS

As reported in the previous years Directors' Report, the Company has stopped the operations of all business activities and it is selling the assets. Majority of the Land and Building have been sold and the profit on sale of asset for the financial year 2019-20 is Rs.649.87 Lakhs as compared to Rs.5,583.68 Lakhs for the previous financial year 2018-19. After considering Other Income of Rs.286.37 Lakhs and Other Expenses of Rs.58.63 Lakhs, the profit before tax for the financial year 2019-20 is Rs.877.61 Lakhs as compared to Rs.5,562.73 Lakhs for the previous year 2018-19. After providing Rs.176.40 Lakhs (PY: Rs.727.67 Lakhs) towards Current Tax Liability, and Deferred tax of Rs.78.50 Lakhs (PY: Rs.278.62 Lakhs), the Net profit after tax for the year is Rs.622.71 Lakhs (PY: Rs.4,556.44 Lakhs).

All the revenues and expenses reported in statement of profit and loss for the financial years 2019-20 and 2018-19 are attributed to discontinuing operation only.

2. SHARE CAPITAL

The Paid-up Capital of the Company is Rs.2,970 Lakhs (PY:Rs.2,970 Lakhs) consisting of the following:

- i) 27,00,000 Nos. Equity Shares of Rs.10/- each.
- ii) 2,50,00,000 Nos. 9% Cumulative Redeemable Preference Shares of Rs.10/- each.
- iii) 20,00,000 Nos. 9% Cumulative Optionally Convertible Redeemable Preference Shares of Rs.10/- each.

3. DIVIDEND

The Board of Directors at their meeting held on 19th March, 2020 have declared dividend on Preference Shares for the period from 01-04-2019 to 31-03-2020. The Company has distributed the dividend related to Preference Shares of Rs.243 Lakhs and also paid the Dividend Distribution Tax of Rs.49.95 Lakhs.

Your Directors are not recommending any dividend to Equity Shareholders for the financial year 2019-20.

THANJAVUR SPINNING MILL LIMITED

DIRECTORS' REPORT

4. TAXATION

An amount of Rs.176.40 Lakhs (PY: Rs.727.67 Lakhs) towards Current Tax has been provided and deferred tax Rs.78.50 Lakhs (PY:Rs.278.62 Lakhs) has been provided for the year 2019-20.

5. MANAGEMENT DISCUSSION AND ANALYSIS

STATUS OF SALE OF PROPERTIES AND ASSETS OF THE COMPANY

As informed in the Directors' Report of last year the sale of assets of the Company continued during the year 2019-20 and the details of sale process of assets related to during the financial year 2019-20 are given below:

Sale of Land at Thanjavur

a) Sale of Land - "A" Unit

The Company has sold 13 Nos. of plots admeasuring 61,983 Sq. Feet of land at "A" Unit during the year for a sale consideration of Rs.8.58 Crores.

b) Sale of Sri Saradha Nagar Land.

The Company has sold 10 Nos. of plots situated at Sri Saradha Nagar admeasuring 24,181 Sq. Feet of land were sold for sale consideration of Rs.3.39 Crores.

The entire sale proceeds have been utilized for settlement of land development expenses, marketing fees for sale of above plots and towards payment of income tax on long term capital gain on sale of assets.

6. SCHEME OF ARRANGEMENT

The Board of Directors have approved a Scheme of arrangement between the Company and its Shareholders and creditors at their meeting held on 28-05-2019. The Company has proposed to reduce the entire preference share capital of Rs.27 Crores and Equity Share Capital of the Company by utilizing the excess fund available with the Company subject to approval of the National Company Law Tribunal (NCLT).

THANJAVUR SPINNING MILL LIMITED

DIRECTORS' REPORT

The Company has filed a petition before the NCLT seeking permission for reduction of Equity Share Capital, Cumulative Redeemable Preference Shares and Cumulative Optionally Convertible Redeemable Preference Shares on 26-07-2019. The NCLT has admitted the Company's petition and directed to convene the meetings of Equity & Preference Shareholders and unsecured creditors for getting their consent to reduce the Share Capital and such meetings were scheduled on 31-03-2020. Due to lockdown announced by both Government of India and Government of Tamil Nadu due to outbreak of Covid-19 virus, the above said meetings could not be conducted and after filing a fresh petition before the NCLT seeking further directions, the Company will take necessary actions to reduce the Equity Share Capital and also redeem the preference shares.

7. INTERNAL FINANCIAL CONTROLS

In accordance with Section 134(5)(e) of the Companies Act, 2013, the Company has Internal Financial Controls Policy by means of Policies and Procedures commensurate with the size & nature of its operations and pertaining to financial reporting. In accordance with Rule 8(5)(viii) of Companies (Accounts) Rules, 2014, it is hereby confirmed that the Internal Financial Controls are adequate with reference to the financial statements.

8. VIGIL MECHANISM / WHISTLE BLOWER POLICY

In accordance with Section 177(9) and (10) of the Companies Act, 2013 the Company has established a Vigil Mechanism and has a Whistle Blower Policy.

9. DIRECTORS

In accordance with the provision of the Companies Act, 2013 and in terms of the Memorandum and Articles of Association of the Company, Shri S. Kanthimathinathan, Director (DIN:01124581) retire by rotation at the ensuing Annual General Meeting and he is eligible for re-appointment.

Shri A. Karthiswaran, Company Secretary has resigned from the Company with effect from 17-08-2019.

Shri S. Muthusamy, Chief Executive Officer has retired from the Company with effect from 31-05-2020.

THANJAVUR SPINNING MILL LIMITED

DIRECTORS' REPORT

The Independent Directors hold office for a fixed term of 5 years and not liable to retire by rotation. At the Annual General Meeting held on 10-08-2016 Shri P.A.S. Krishnama Raja (DIN 00487322) and Shri P.J. Ramkumar Rajha (DIN 00487193) were appointed as Independent Directors for a period of 5 consecutive years from 19-05-2016 to 18-05-2021.

They are eligible for re-appointment for another period of 5 years as Independent Directors. In accordance with Section 149(10) of the Companies Act, 2013, their re-appointment has been proposed in the Notice convening the Annual General Meeting as Special Resolution.

The Board of Directors at the meeting held on 19-03-2020 have evaluated the performance of the Independent Directors and based on the contribution of the Directors, the Nomination and Remuneration Committee has recommended their re-appointment.

Pursuant to Rule 8(5)(iii) of Companies (Accounts) Rules, 2014, it is reported that, other than the above, there have been no changes in the Directors or Key Managerial Personnel during the year.

The Company has received necessary declarations from all the Independent Directors under Section 149(7) of the Companies Act, 2013, that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

The Audit Committee has three Members, out of which two are Independent Directors. Pursuant to Section 177(8) of the Companies Act, 2013, it is reported that there has not been an occasion, where the Board had not accepted any recommendation of the Audit Committee.

In accordance with Section 178(3) of the Companies Act, 2013 and based upon the recommendation of the Nomination and Remuneration Committee, the Board of Directors have approved a policy relating to appointment and remuneration of Directors, Key Managerial Personnel and Other Employees. The objective of the Nomination and Remuneration Policy is to ensure that the level and composition of remuneration is reasonable, the relationship of remuneration to performance is clear and appropriate to the long term goals of the Company.

THANJAVUR SPINNING MILL LIMITED

DIRECTORS' REPORT

10. EVALUATION OF BOARD

Pursuant to Section 134(3)(p) of the Companies Act, 2013, Independent Directors have evaluated the quality, quantity and timeliness of the flow of information between the Management and the Board, performance of the Board as a whole, its Committees and its Members and other required matters. Nomination and Remuneration Committee has laid down evaluation criteria which will be based on attendance, independence, expertise and contribution brought by the Independent Director at the Board Meeting, which shall be taken into account at the time of re-appointment of Independent Director.

11. MEETINGS

MEETINGS OF THE BOARD

Details of attendance of each Director at the Board Meetings held during the year are as follows:

Sl. No.	Name of the Director, Director Identification Number (DIN) & Directorship	Board Meeting held on					Attendance at Last AGM held on 14-08-2019
		28-05-2019	13-08-2019	12-11-2019	12-02-2020	19-03-2020	
1	Shri S. Kanthimathinathan DIN: 01124581 Directorship: NE	Yes	Yes	Yes	Yes	Yes	Yes
2	Shri P.A.S. Krishnama Raja DIN: 00487322 Directorship: NE & ID	Yes	Yes	Yes	Leave	Leave	Yes
3	Shri P.J. Ramkumar Rajha DIN: 00487193 Directorship: NE & ID	Yes	Yes	Yes	Yes	Yes	Yes

NE – Non Executive ID- Independent Director

During the year, a meeting of the Independent Directors was held on 11-02-2020 and both Independent Directors attended the meeting.

MEETINGS OF THE COMMITTEES

AUDIT COMMITTEE

The composition of the Audit Committee and the details of attendance of its Members are as follows:

THANJAVUR SPINNING MILL LIMITED

DIRECTORS' REPORT

Sl. No.	Name of the Director	Audit Committee Meeting held on				
		27-05-2019	12-08-2019	11-11-2019	11-02-2020	19-03-2020
1	Shri P.J. Ramkumar Rajha, Chairman of the Committee	Yes	Yes	Yes	Yes	Yes
2	Shri P.A.S. Krishnama Raja	Yes	Yes	Yes	Leave	Leave
3	Shri S. Kanthimathinathan	Yes	Yes	Yes	Yes	Yes

STAKEHOLDERS RELATIONSHIP COMMITTEE

The composition of the Stakeholders Relationship Committee and the details of attendance of its Members are as follows:

Sl. No.	Name of the Director	SRC Meeting held on 12-02-2020
1	Shri P.J. Ramkumar Rajha, Chairman of the Committee	Yes
2	Shri S. Kanthimathinathan	Yes
3	Shri P.A.S. Krishnama Raja	Leave

12. SECRETARIAL STANDARD

As required under Clause 9 of Secretarial Standard 1, the Board of Directors confirm that the Company has complied with applicable Secretarial Standards.

13. PUBLIC DEPOSITS

Pursuant to Rule 8(5)(v) & (vi) of Companies (Accounts) Rules, 2014, it is reported that the Company has not accepted any deposit from public during the financial year under review. There has been no default in the repayment of deposits / payment of interest thereon during the year. The Company has no deposit, which is not in compliance with the Chapter V of the Companies Act, 2013.

THANJAVUR SPINNING MILL LIMITED

DIRECTORS' REPORT

14. ORDERS PASSED BY REGULATORS

Pursuant to Rule 8(5)(vii) of Companies (Accounts) Rules, 2014, it is reported that, no significant and material orders have been passed by the Regulators or Courts or Tribunals, impacting the going concern status and Company's operations in future.

15. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The Company has given loan (Inter Corporate Deposit) to M/s.Rajapalayam Mills Limited and M/s. Sandhya Spinning Mill Limited and the outstanding of ICDs as on 31-03-2020 was Rs.24.60 Crores (PY:Rs.25.00 Crores) and Rs.5.00 Cores (PY: Rs.5.00 Crores) respectively in accordance with Special Resolution passed by way of Postal Ballot on 09-02-2019. The details of investment made by the Company are disclosed in Note.5 which is forming part of financial statements.

16. AUDIT

STATUTORY AUDIT

M/s. M.S. Jagannathan & N. Krishnaswami, Chartered Accountants is Statutory Auditors of the Company.

At the 55th Annual General Meeting, the above Auditors have been appointed as statutory auditors for a period of 5 consecutive financial years commencing from the financial year 2017-18 and to hold office from the conclusion of 55th Annual General Meeting till the conclusion of 60th Annual General Meeting to be held in the year 2022.

The report of the Statutory Auditors for the year ended 31st March, 2020 does not contain any qualification, reservation or adverse remark and no instance of fraud has been reported by Auditor under Section 143(12) of Companies Act, 2013.

THANJAVUR SPINNING MILL LIMITED

DIRECTORS' REPORT

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

Since the business activities are attributed to discontinued business operations, the provisions of Section 134(3)(m) of the Companies Act, 2013 and Rule 8(3) of Companies (Accounts) Rules, 2014, the information relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo is not applicable to the Company.

18. EXTRACT OF ANNUAL RETURN

In Accordance with Section 92(3) of the Companies Act, 2013, read with Rule 12(1) of Companies (Management and Administration) Rules, 2014, an extract of the Annual Return in Form MGT-9 is attached herewith as Annexure - I.

19. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

The disclosures in terms of provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5 (2) and (3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, relating to remuneration are provided in Annexure - II.

20. RELATED PARTY TRANSACTION

The transactions with related party entered into by the Company are periodically placed before the Audit Committee for its approval. In accordance with AS – 18, (Related Party Disclosure) the details of transactions with the related parties are set out in Note No.13 of disclosure forming part of Financial Statements.

21. RISK MANAGEMENT POLICY

Pursuant to Section 134(3) (n) of the Companies Act, 2013, the Company has developed and implemented a Risk Management Policy. The Policy envisages identification of risk and procedures for assessment and minimization of risk thereof.

THANJAVUR SPINNING MILL LIMITED

DIRECTORS' REPORT

22. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, the Directors confirm that:

- a) they had followed the applicable accounting standards along with proper explanation relating to material departures, if any, in the preparation of the Annual Accounts for the year ended 31st March, 2020;
- b) they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2020 and profit of the Company for the year ended on that date;
- c) they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) they had prepared the Annual Accounts on a going concern basis;
- e) they had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ACKNOWLEDGEMENT

The Directors are grateful to the various Departments and agencies of the Central and State Governments for their help and co-operation. The Directors wish to place on record their appreciation of employees at all levels for their commitment and their contribution.

On behalf of the Board of Directors,
For **THANJAVUR SPINNING MILL LIMITED**,

RAJAPALAYAM
24th June, 2020

P.A.S. KRISHNAMA RAJA
DIRECTOR

P.J.RAMKUMAR RAJHA
DIRECTOR

THANJAVUR SPINNING MILL LIMITED

ANNEXURE - I TO DIRECTORS' REPORT

Form MGT - 9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2020

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

1.	CIN	U17111TN1961PLC004505
2.	Registration Date	09-06-1961
3.	Name of the Company	THANJAVUR SPINNING MILL LIMITED
4.	Category / Sub-Category of the Company	Public Limited Company
5.	Address of the Registered Office and Contact details	"Rajapalayam Mills Premises" P.A.C.Ramasamy Raja Salai, Rajapalayam - 626 117, Tamil Nadu. Phone:04563-235666 ; Fax:04563-236520 E-Mail:tsml@ramcotex.com Web: www.thanjavurspinningmill.co.in
6.	Whether listed company	No
7.	Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s. CAMEO CORPORATE SERVICES LIMITED Subramanian Building, No. 1, Club House Road, Chennai - 600 002. Phone : 044-28460390; Fax : 044-28460129 Email : investor@cameoindia.com Web : www.cameoindia.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

Business activities contributing 10% or more of the total turnover of the Company;

Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the Company
Other Service	64990	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Name and address of the Company	CIN / GNL	Holding / Subsidiary / Associate	% of Shares held	Applicable Section
- NIL -				

THANJAVUR SPINNING MILL LIMITED

ANNEXURE - I TO DIRECTORS' REPORT

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-Wise Share Holding

Category of Shareholder		No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	Promoters									
(1)	Indian									
a)	Individuals/ HUF	14,61,580	1,03,711	15,65,291	57.97	14,95,841	69,450	15,65,291	57.97	-
b)	Central Government	-	-	-	-	-	-	-	-	-
c)	State Government(s)	-	-	-	-	-	-	-	-	-
d)	Bodies Corporate	-	-	-	-	-	-	-	-	-
e)	Financial Institutions/ Banks	-	-	-	-	-	-	-	-	-
f)	Any Others	-	-	-	-	-	-	-	-	-
Sub Total(A)(1)		14,61,580	1,03,711	15,65,291	57.97	14,95,841	69,450	15,65,291	57.97	-
(2)	Foreign									
a)	NRIs - Individuals	-	-	-	-	-	-	-	-	-
b)	Other Individuals	-	-	-	-	-	-	-	-	-
c)	Bodies Corporate	-	-	-	-	-	-	-	-	-
d)	Financial Institutions/ Banks	-	-	-	-	-	-	-	-	-
e)	Any Others	-	-	-	-	-	-	-	-	-
Sub Total(A)(2)		-	-	-	-	-	-	-	-	-
Total Shareholding of Promoters (A)= (A)(1)+(A)(2)		14,61,580	1,03,711	15,65,291	57.97	14,95,841	69,450	15,65,291	57.97	-

THANJAVUR SPINNING MILL LIMITED

ANNEXURE - I TO DIRECTORS' REPORT

Category of Shareholder		No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B.	Public shareholding									
(1)	Institutions									
a)	Mutual Funds	-	-	-	-	-	-	-	-	-
b)	Financial Institutions /Banks	-	-	-	-	-	-	-	-	-
c)	Central Government	-	-	-	-	-	-	-	-	-
d)	State Government(s)	-	-	-	-	-	-	-	-	-
e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
f)	Insurance Companies	2,398	-	2,398	0.09	2,398	-	2,398	0.09	-
g)	FIs	-	-	-	-	-	-	-	-	-
h)	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i)	Others (specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B)(1)		2,398	-	2,398	0.09	2,398	-	2,398	0.09	-
(2)	Non-institutions									
a)	Bodies Corporate									
i)	Indian	2,500	4,320	6,820	0.25	2,500	4,320	6,820	0.25	-
ii)	Overseas	-	-	-	-	-	-	-	-	-
b)	Individuals									
i)	Individual shareholders holding nominal share capital up to Rs.1 lakh	57,833	4,01,582	4,59,415	17.02	62,333	3,97,082	4,59,415	17.02	-
ii)	Individual shareholders holding nominal share capital in excess of Rs.1 lakh.	4,58,934	99,762	5,58,696	20.70	4,58,934	99,762	5,58,696	20.70	-
(c)	Others (specify)									
	IEPF	1,05,114	-	1,05,114	3.89	1,05,114	-	1,05,114	3.89	-
	HUF	2,266	-	2,266	0.08	2,266	-	2,266	0.08	-
Sub-Total (B)(2)		6,26,647	5,05,664	11,32,311	41.94	6,31,147	5,01,164	11,32,311	41.94	-
B)	Total Public Shareholding (B)= (B)(1)+(B)(2)	6,29,045	5,05,664	11,34,709	42.03	6,33,545	5,01,164	11,34,709	42.03	-
C)	Shares held by Custodians for GDRs & ADRs	-	-	-	-	-	-	-	-	-
GRAND TOTAL (A)+(B)+(C)		20,90,625	6,09,375	27,00,000	100.00	21,29,386	5,70,614	27,00,000	100.00	-

THANJAVUR SPINNING MILL LIMITED

ANNEXURE - I TO DIRECTORS' REPORT

ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year 1 st April, 2019			Shareholding at the end of the year 31 st March, 2020			% Change in Shareholding during the year
		No. of Shares	% of Total Shares of the company	% of Shares Pledged / encumbered to total Shares	No. of Shares	% of Total Shares of the company	% of Shares Pledged / encumbered to total Shares	
1	Smt. R.SUDARSANAM	2,69,584	9.98	-	2,69,584	9.98	-	-
2	Shri P.R.VENKETRAMA RAJA	1,73,891	6.44	-	1,73,891	6.44	-	-
3	Smt. SARADHA DEEPA	3,89,891	14.44	-	3,89,891	14.44	-	-
4	Smt. R.NALINA RAMALAKSHMI	3,89,891	14.44	-	3,89,891	14.44	-	-
5	Smt. R.CHTTAMMAL	1,422	0.05	-	1,422	0.05	-	-
6	Shri N.R.K.RAMKUMAR RAJA	400	0.01	-	400	0.01	-	-
7	Shri S.S.RAMACHANDRA RAJA	1,000	0.04	-	1,000	0.04	-	-
8	Shri K.T.RAMACHANDRAN	4,078	0.15	-	4,078	0.15	-	-
9	Shri K.R.TIRUVENGADAM	72,400	2.68	-	72,400	2.68	-	-
10	Smt. K.R.RUKMANI	4,222	0.16	-	4,222	0.16	-	-
11	Smt. K.R.VAISHNAVI	4,222	0.16	-	4,222	0.16	-	-
12	Smt. K.R.SAKUNDALA DEVI	4,222	0.16	-	4,222	0.16	-	-
13	Smt. ANNAPOORANI KRISHNAN	43,143	1.60	-	43,143	1.60	-	-
14	DR. K.TIRUVENGADAKRISHNAN	40,487	1.50	-	40,487	1.50	-	-
15	MINOR K.T.HARINI BY F&G. K.TIRUVENGADAKRISHNAN	1,000	0.04	-	1,000	0.04	-	-
16	MINOR K.T.HARSHINI BY F&G. K.TIRUVENGADAKRISHNAN	1,000	0.04	-	1,000	0.04	-	-
17	Smt. K.PADMAVATHI	23,085	0.85	-	23,085	0.85	-	-
18	Shri K.S.KRISHNAKUMAR	20,000	0.74	-	20,000	0.74	-	-
19	Shri K.SANTHANA KRISHNAN	1,100	0.04	-	1,100	0.04	-	-
20	Shri K.RAGUVIR	1,200	0.04	-	1,200	0.04	-	-
21	Smt. K.UMAMAHESWARI	30,685	1.14	-	30,685	1.14	-	-
22	Ms. P.P.HASINI	1,000	0.04	-	1,000	0.04	-	-
23	Shri K.T.SRINIVASAN	2,224	0.08	-	2,224	0.08	-	-
24	Shri K.T.KALYANAKRISHNAN	35,144	1.30	-	35,144	1.30	-	-
25	Smt. MEENAKSHI KALYANAKRISHNAN	6,000	0.22	-	6,000	0.22	-	-
26	Shri R.SIVASUBRAMANIAN	2,000	0.07	-	2,000	0.07	-	-
27	Smt. S.JALAJAAMMAL	2,000	0.07	-	2,000	0.07	-	-
28	Shri S.KRISHNASWAMY KAMAYA NAICKER	4,000	0.15	-	4,000	0.15	-	-
29	Shri K.KUMARAN	27,000	1.00	-	27,000	1.00	-	-
30	Smt. V.VEERALAKSHMI	9,000	0.33	-	9,000	0.33	-	-
	TOTAL	15,65,291	57.97	-	15,65,291	57.97	-	-

THANJAVUR SPINNING MILL LIMITED

ANNEXURE - I TO DIRECTORS' REPORT

iii) Change in Promoters' Shareholding

Sl. No.	Shareholding		Date	Increase / Decrease in shareholdings	Reason	Cumulative Shareholding during the year (01-04-2019 to 31-03-2020)	
	No. of Shares at the beginning (01-04-2019) / end of the year (31-03-2020)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1.	15,65,291	57.97	01-04-2019	NIL	NIL	NIL	NIL
	15,65,291	57.97	31-03-2020	-	-	-	-

iv) Shareholding Pattern of top ten Shareholders (other than Directors and Promoters):

Sl. No	Name	Shareholding		Date	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-2019 to 31-03-2020)	
		No. of Shares at the beginning of the year (01-04-2019) end of the year (31-03-2020)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	Shri ABINAV RAMASUBRAMANIAM RAJA P V	2,13,300	7.90	N.A.	N.A.	N.A.	2,13,300	7.90
2	Smt. P.V.NIRMALA	67,500	2.50	N.A.	N.A.	N.A.	67,500	2.50
3	Smt. P.V.SRISANDHYA	67,500	2.50	N.A.	N.A.	N.A.	67,500	2.50
4	Shri ANANTHARAMAKRISHNAN K S	29,886	1.11	N.A.	N.A.	N.A.	29,886	1.11
5	Shri SATHYANARAYANAN K S	29,876	1.11	N.A.	N.A.	N.A.	29,876	1.11
6	Smt. DHARSHINI RAAJA DH	27,000	1.00	N.A.	N.A.	N.A.	27,000	1.00
7	Smt. SRIMATHI D	27,000	1.00	N.A.	N.A.	N.A.	27,000	1.00
8	Shri K.K.VENKATRAMAN	20,000	0.74	N.A.	N.A.	N.A.	20,000	0.74
9	Smt. K.K.VISHNUPRIYA	20,000	0.74	N.A.	N.A.	N.A.	20,000	0.74
10	Shri A.MOHAMED SALEEM	14,800	0.55	N.A.	N.A.	N.A.	14,800	0.55

THANJAVUR SPINNING MILL LIMITED

ANNEXURE - I TO DIRECTORS' REPORT

v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name	Shareholding		Date	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-2019 to 31-03-2020)	
		No. of Shares at the beginning of the year (01-04-2019) / end of the year (31-03-2020)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	SHRI S. KANTHIMATHINATHAN	NIL	NIL	N.A.	N.A.	N.A.	NIL	NIL
2	SHRI P.A.S.KRISHNAMA RAJA	NIL	NIL	N.A.	N.A.	N.A.	NIL	NIL
3	SHRI P.J.RAMKUMAR RAJHA	NIL	NIL	N.A.	N.A.	N.A.	NIL	NIL
4	SHRI A.KARTHISWARAN (Upto 17-08-2019)	NIL	NIL	N.A.	N.A.	N.A.	NIL	NIL
5	SHRI S.MUTHUSAMY (Upto 31-05-2020)	NIL	NIL	N.A.	N.A.	N.A.	NIL	NIL
6	SHRI G.RAMACHANDRAN	NIL	NIL	N.A.	N.A.	N.A.	NIL	NIL

THANJAVUR SPINNING MILL LIMITED

ANNEXURE - I TO DIRECTORS' REPORT

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment
(Rs. in Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the Beginning of the financial year				
i) Principal Amount				
ii) Interest due but not paid			NIL	
iii) Interest accrued but not due				
Total (i + ii+ iii)				
Change in Indebtedness during the financial year				
Addition				
Reduction			NIL	
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due			NIL	
Total (i + ii+ iii)				

THANJAVUR SPINNING MILL LIMITED

ANNEXURE - I TO DIRECTORS' REPORT

VI. REMUNERATION OF DIRECTORS AND KEYMANAGERIAL PERSONNEL

A. REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND / OR MANAGER:

Not Applicable

B. REMUNERATION TO OTHER DIRECTORS:

(Rs. in Lakhs)

Sl. No.	Particulars of Remuneration	Name of the Directors		Total Amount
1	Independent Directors	Shri P.A.S.Krishnama Raja	Shri P.J.Ramkumar Rajha	
	Fee for attending board committee meetings	0.15	0.25	0.40
	Commission	-	-	-
	Others, Please Specify	-	-	-
	Total (1)	0.15	0.25	0.40
2	Other Non-Executive Directors	Shri S.Kanthimathinathan		
	Fee for attending board committee meetings	0.25		0.25
	Commission	-		-
	Others, Please Specify	-		-
	Total (2)	0.25		0.25
	Total B = (1+2)	0.65		0.65
	Overall Ceiling as per the Act	1% of Net Profit of the Company, Calculated as per Section 198 of the Companies Act,2013.		
	Total Managerial Remuneration (A+B)			0.65

THANJAVUR SPINNING MILL LIMITED

ANNEXURE - I TO DIRECTORS' REPORT

C. REMUNERATION TO KEYMANAGERIAL PERSONNEL OTHER THAN MD/ MANAGER/ WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total (Rs. in Lakhs)
		Shri S.Muthusamy (CEO) (Upto 31-05-2020)	Shri A.Karthiswaran Secretary * (Upto 17-08-2019)	Shri G.Ramachandran CFO	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	21.54	2.11	6.56	30.21
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- Others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	21.54	2.11	6.56	30.21

*Shri A. Karthiswaran has resigned from the service on 17-08-2019.

THANJAVUR SPINNING MILL LIMITED

ANNEXURE - I TO DIRECTORS' REPORT

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/NCLT / COURT)	Appeal made, if any (give details)
A. COMPANY Penalty Punishment Compounding			Nil		
B. DIRECTORS Penalty Punishment Compounding			Nil		
C. OTHER OFFICERS IN DEFAULT Penalty Punishment Compounding			Nil		

On behalf of the Board of Directors,
For THANJAVUR SPINNING MILL LIMITED,

RAJAPALAYAM
24th June, 2020

P.A.S. KRISHNAMA RAJA
DIRECTOR

P.J.RAMKUMAR RAJHA
DIRECTOR

THANJAVUR SPINNING MILL LIMITED

ANNEXURE II TO DIRECTORS' REPORT

DISCLOSURE RELATING TO REMUNERATION UNDER SECTION 197 (12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 (2) AND (3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

i) Particulars of Employees employed throughout the financial year 2019-20 is given below:

Sl. No.	Name of Employee	Age (Yrs)	Designation	Remuneration Paid/ Payable Rs. in Lakhs	Qualification and experience (Years)	Date of Commencement of employment	Last Employment
1	S.MUTHUSAMY *	59	Chief Executive Officer	21.54	D.T.T. 37 Years	12-06-2013	Thiru Thanikagai Spinners, Sathiyamangalam, Arasur, Nabiyur
2	G.RAMACHANDRAN	50	Chief Financial Officer	6.56	B.Com., 27 Years	12-08-1992	International Agencies, Chennai

* Worked upto 31-05-2020

ii) Particulars of Employees employed for a part of the financial year 2019-20:

Sl. No.	Name of Employee	Age (Yrs)	Designation	Remuneration Paid/ Payable Rs. in Lakhs	Qualification and experience (Years)	Date of Commencement of employment	Last Employment
1	A.MOHAN	58	A.M. Accounts	3.49 *	B.A. 37 Years	08-01-1987	Kodi Ginning (P) Ltd., Thanjavur
2	A.KARTHISWARAN	30	Company Secretary	2.11 **	A.C.S. 4 Years	09-08-2016	M/s Rajapalayam Mills Limited

NOTE:

1. All appointments are contractual.
2. Remuneration includes Salary, Company's contribution to Provident Fund and Superannuation Fund but does not include Provision for Gratuity and Leave encashment.
3. None of the employees mentioned above is related to any Director of the Company

* Worked from 01-04-2019 to 31-10-2019

** Worked from 01-04-2019 to 17-08-2019

On behalf of the Board of Directors,
For THANJAVUR SPINNING MILL LIMITED,

RAJAPALAYAM
24th June, 2020

P.A.S. KRISHNAMA RAJA
DIRECTOR

P.J.RAMKUMAR RAJHA
DIRECTOR

THANJAVUR SPINNING MILL LIMITED

INDEPENDENT AUDITOR'S REPORT

To the Members of M/s.Thanjavur Spinning Mill Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Thanjavur Spinning Mill Limited (“the Company”) which comprise the Balance Sheet as at 31st March, 2020, the Statement of Profit and Loss and the Cash Flow Statement for the year ended and a summary of significant accounting policies and other explanatory information.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2020, its Profit and its Cash Flow for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance, and Cash Flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent;

THANJAVUR SPINNING MILL LIMITED

AUDITOR'S REPORT TO SHAREHOLDERS

and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- i) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ii) Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

THANJAVUR SPINNING MILL LIMITED

AUDITOR'S REPORT TO SHAREHOLDERS

- iv) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- v) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure - A", a statement on the matters specified in paragraphs 3 and 4 of the Order.
- 2) As required by section 143 (3) of the Act, we report that:
 - a) We have sought and 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 it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

THANJAVUR SPINNING MILL LIMITED

AUDITOR'S REPORT TO SHAREHOLDERS

- e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) We have enclosed our separate report in “Annexure - B” with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls. Our report expresses an Unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company has disclosed the details of the pending litigation and its impact on the financial statements in Note No.18(5) of the Disclosures forming part of the financial statements for the year ended 31st March, 2020.
 - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For M.S.Jagannathan & N.Krishnaswami
Chartered Accountants
Firm Registration No. 001208S

K. Srinivasan
Partner
Membership No. 021510
UDIN: 20021510AAAACK8384

Trichy,
24th June, 2020.

THANJAVUR SPINNING MILL LIMITED

AUDITOR'S REPORT TO SHAREHOLDERS

“Annexure - A” to the Independent Auditors’ Report

Referred to in paragraph 1 under the heading ‘Report on Other Legal & Regulatory Requirements’ of our report of even date to the Financial Statements of the Company for the year ended 31st March, 2020

- 1) Fixed Assets
 - 1.1 The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
 - 1.2 The Company has sold all the fixed assets in the current year. As result of the above the closing fixed asset on the reporting date is Nil.
 - 2) Inventory

This clause of CARO is not applicable as the Company did not hold any Inventories during the year.
 - 3) The Company has granted loan to two parties listed in the register maintained under Section 189 of the Act. The maximum outstanding at any time during the year was Rs.3,375.34 Lakhs (Previous Year Rs.3,549.90 Lakhs) and the amount outstanding as on 31st March, 2020 is Rs.2,960 Lakhs (Previous Year Rs.3,000 Lakhs);
 - a) In our opinion, the terms and conditions on which the loan has been granted to the party listed in the register maintained under Section 189 of the Act are not prejudicial to the interest of the Company.
 - b) The payment of the principal and the interest wherever applicable are regular.
 - c) There are no overdue amounts in respect of the loan granted to a party listed in the register maintained under section 189 of the Act.
 - 4) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, in respect of loans, investments, guarantees, and security.
 - 5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
 - 6) According to information and explanations given to us, the company is not required to maintain accounts and records which have been specified by the Central Government under Section 148(1) of the Act.
-

THANJAVUR SPINNING MILL LIMITED

AUDITOR'S REPORT TO SHAREHOLDERS

7) Undisputed and disputed taxes and duties

7.1 The Company is regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at 31st March, 2020 for a period of more than six months from the date they became payable.

7.2 According to the information and explanations given to us, the following due have not been deposited by the Company on account of disputes:

Name of Statue	Forum Where Dispute is Pending	Rs. in Lakhs
TNEB Windmill Generation Tax	Supreme Court	120.49
VAT in Tamil Nadu	High Court of Madras, Madurai Bench	1,309.73

8) The Company has not defaulted in repayment of dues to Financial Institutions & Banks.

9) The Company did not raise any money by way of initial public offer or further public offer. The Company has not raised term loans from Banks / Institutions during the year. The Company has not issued any debentures during the year.

10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

11) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act.

12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.

13) In our opinion, all transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable Accounting Standards.

THANJAVUR SPINNING MILL LIMITED

AUDITOR'S REPORT TO SHAREHOLDERS

- 14) Based upon the audit procedures performed and the information and explanations given by the Management, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company.
- 15) Based upon the audit procedures performed and the information and explanations given by the Management, the Company has not entered into any non-cash transactions with Directors or persons connected with them. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company.
- 16) In our opinion, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company.

For M.S.Jagannathan & N.Krishnaswami
Chartered Accountants
Firm Registration No. 001208S

K. Srinivasan
Partner
Membership No. 021510
UDIN: 20021510AAAACK8384

Trichy,
24th June, 2020.

THANJAVUR SPINNING MILL LIMITED

AUDITOR'S REPORT TO SHAREHOLDERS

“Annexure - B” to the Independent Auditor's Report of even date on the Financial Statements prepared in accordance with Accounting Standards of Thanjavur Spinning Mill Limited.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

Opinion

We have audited the internal financial controls over financial reporting of Thanjavur Spinning Mill Limited (“the Company”) as of 31st March, 2020 in conjunction with our audit of the Financial Statements of the Company for the year ended on 31st March, 2020.

In our opinion, and to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on

THANJAVUR SPINNING MILL LIMITED

AUDITOR'S REPORT TO SHAREHOLDERS

Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provided reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

THANJAVUR SPINNING MILL LIMITED

AUDITOR'S REPORT TO SHAREHOLDERS

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For M.S.Jagannathan & N.Krishnaswami
Chartered Accountants
Firm Registration No. 001208S

K. Srinivasan
Partner
Membership No. 021510
UDIN: 20021510AAAACK8384

Trichy,
24th June, 2020.

THANJAVUR SPINNING MILL LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2020

Particulars	Note No	(Rs. in Lakhs)	
		As at 31-03-2020	As at 31-03-2019
I EQUITY AND LIABILITIES			
(1) Shareholders' Fund			
(a) Share Capital	1	2,970.00	2,970.00
(b) Reserves and Surplus	2	<u>666.89</u>	<u>337.13</u>
		3,636.89	3,307.13
(2) Current Liabilities			
(a) Other Current Liabilities	3	173.64	319.50
(b) Short Term Provisions	4	<u>10.50</u>	<u>12.43</u>
		184.14	331.93
TOTAL		<u>3,821.03</u>	<u>3,639.06</u>
II ASSETS			
(1) Non Current Assets			
(a) Long Term Loans and Advances	5	3,162.86	3,202.40
(b) Deferred Tax Assets	6	1.40	79.90
(2) Current Assets			
(a) Asset retired from active use and held for disposal Fixed Assets pertaining to discontinuing operations and held for sale	7	0.20	1.49
(b) Cash and Cash equivalent	8	10.42	11.49
(c) Short Term Loans and Advances	9	569.46	265.94
(d) Other Current Assets	10	<u>76.69</u>	<u>77.84</u>
		656.77	356.76
TOTAL		<u>3,821.03</u>	<u>3,639.06</u>
Significant Accounting Policies	17		
Notes on Financial Statements	18		

The notes form an integral part of these financial statements

As per our report annexed

For and on behalf of the Board of Directors

For M/s.M.S. Jagannathan & N. Krishnaswami
Chartered Accountants
FRN - 001208S

P.A.S. Krishnama Raja
Director

P.J.Ramkumar Rajha
Director

K.Srinivasan
Partner
Membership No.021510

G.Ramachandran
Chief Financial Officer

Rajapalayam
24th June, 2020

THANJAVUR SPINNING MILL LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2020

Particulars	Note No.	For the Year ended 31-03-2020 (Since Discontinued)	(Rs. in Lakhs) For the Year ended 31-03-2019 (Since Discontinued)
I REVENUE			
Revenue from Operations	11	-	132.28
II Other Income	12	286.37	171.95
III Total Revenue (I+II)		<u>286.37</u>	<u>304.23</u>
IV EXPENSES			
Changes in Inventories of Finished Goods and Work-in-Progress	13	-	129.05
Employee Benefit Expenses	14	38.98	91.29
Finance Costs	15	-	57.95
Other Expenses	16	19.65	46.89
Total Expenses		<u>58.63</u>	<u>325.18</u>
V Profit / (Loss) Before Exceptional & Extraordinary items and Tax (III - IV)		227.74	(20.95)
VI Exceptional & Extraordinary items (Profit on sale of assets relating to Discontinuing Operations) [Refer to Note No.18(7)]		649.87	5,583.68
VII Profit / Loss Before Tax Discontinuing Operations		<u>877.61</u>	<u>5,562.73</u>
VIII Profit / (Loss) from discontinued operations before tax		877.61	5,562.73
IX Tax expenses of discontinued operations			
Current Tax - MAT		(176.40)	(727.67)
Deferred Tax (Assets)		(78.50)	(278.62)
X Profit / (Loss) from discontinued operations (after tax) (VIII-IX)		<u>622.71</u>	<u>4,556.44</u>
XI Profit / (Loss) for the period		<u>622.71</u>	<u>4,556.44</u>
XII Earnings per Equity Share of Rs. 10/- each			
Basic (in Rupees)		12.21	157.91
Diluted (in Rupees) [Refer to Note No.18 (12)]		7.48	91.17
Significant Accounting Policies	17		
Notes on Financial Statements	18		

The notes form an integral part of these financial statements

As per our report annexed

For and on behalf of the Board of Directors

For M/s.M.S. Jagannathan & N. Krishnaswami
Chartered Accountants
FRN - 001208S

P.A.S. Krishnama Raja
Director

P.J.Ramkumar Rajha
Director

K.Srinivasan
Partner
Membership No.021510

G.Ramachandran
Chief Financial Officer

Rajapalayam
24th June, 2020

THANJAVUR SPINNING MILL LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

Particulars	(Rs. in Lakhs)	
	2019 - 20	2018 -19
A . Cash flow from Operating Activities		
Net Profit / (Loss) before tax and extraordinary items	227.74	(20.95)
Adjustments for:		
Finance cost	-	57.95
Interest Received	(286.37)	(125.68)
Operating Loss before Working capital Changes	(58.63)	(88.68)
Adjustments for:		
Trade Receivables	-	620.97
Loans and Advances	1.15	68.01
Inventories	-	133.20
Unutilised Tax Credit - Indirect Tax	(2.75)	-
Trade Payables and Current liabilities	(216.56)	(712.28)
Cash generated / (used) in Operations	(276.79)	21.22
Taxes Paid	(477.17)	(902.13)
Net Cash used in Operating Activities	(753.96)	(880.91)
	A	
B. Cash Flow from Investing Activities :		
(Purchase) / Sale of Investments/Investment Property	-	0.03
Exceptional items - Sale of Assets of "B" Unit Land & Machinery and "A" Unit Land	651.16	7,441.26
(Loans to) / repayment by Related Parties	39.54	(3,000.00)
Interest received	286.37	125.68
Proceeds from Advance for Sale of Land	68.77	-
Net Cash from Investing Activities	1,045.84	4,566.97
	B	

THANJAVUR SPINNING MILL LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

Particulars	(Rs. in Lakhs)	
	2019 - 20	2018 - 19
C. Cash Flow from Financing Activities :		
Repayment of Long Term Loan	-	(1,600.00)
Decrease in Working Capital Borrowings	-	(658.38)
Payment of Dividend and Dividend Distribution tax	(292.95)	(1,363.72)
Interest Paid	-	(57.95)
Net cash used in Financing Activities	C	(3,680.05)
Net Increase / (Decrease) in Cash and Cash Equivalents	(A+B+C)	6.01
Opening balance of Cash and Cash Equivalents (Refer to Note No. 8)	D	5.48
Closing balance of Cash and Cash Equivalents (Refer to Note No.8)	E	11.49
Net Increase / (Decrease) in Cash and Cash Equivalents	(E-D)	6.01

The notes form an integral part of these financial statements

As per our report annexed

For and on behalf of the Board of Directors

For M/s.M.S. Jagannathan & N. Krishnaswami
Chartered Accountants
FRN - 001208S

P.A.S. Krishnama Raja
Director

P.J.Ramkumar Rajha
Director

K.Srinivasan
Partner
Membership No.021510

G.Ramachandran
Chief Financial Officer

Rajapalayam
24th June, 2020

THANJAVUR SPINNING MILL LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	(Rs. in Lakhs)	
	As at 31-03-2020	As at 31-03-2019
NOTE NO.:1		
SHARE CAPITAL		
Authorised		
70,00,000 Equity Shares of Rs.10/- each (PY: 70,00,000 Equity Shares of Rs.10/- each)	700.00	700.00
2,50,00,000 9% Cumulative Redeemable Preference Shares of Rs.10/- each (PY : 2,50,00,000 9% Cumulative Redeemable Preference Shares of Rs.10/- each)	2,500.00	2,500.00
40,00,000 9% Cumulative Optionally Convertible Redeemable Preference Shares of Rs.10/- each (PY: 40,00,000 9% Cumulative Optionally Convertible Redeemable Preference Shares of Rs.10/- each)	400.00	400.00
	<u>3,600.00</u>	<u>3,600.00</u>
Issued, Subscribed and fully paid-up		
27,00,000 Equity Shares of Rs.10/- each (PY 27,00,000 Equity Shares of Rs.10/- each)	270.00	270.00
2,50,00,000 9% Cumulative Redeemable Preference Shares of Rs.10/- each* (PY : 2,50,00,000 9% Cumulative Redeemable Preference Shares of Rs.10/- each)	2,500.00	2,500.00
20,00,000 9% Cumulative Optionally Convertible Redeemable Preference Shares of Rs.10/- each# (PY: 20,00,000 9% Cumulative Optionally Convertible Redeemable Preference Shares of Rs .10/- each)	200.00	200.00
	<u>2,970.00</u>	<u>2,970.00</u>

* The Preference shares of Rs. 25 Crores shall be redeemable at par, within a period of 20 years from the date of their issue, either in single or multiple installments, as may be decided by the board of directors of the company.

The Preference Shares of Rs.2 Crores may be convertible in one or more tranches into Equity Shares at the option of the holder at any time after 1st July, 2017 but not later than 31st December, 2021 at the rate of 1 (one) Equity Share of Rs.10/- each for every 1 (one) Preference Share of Rs.10/- each held. If the holders not opt for conversion, the said preference shares shall be redeemed on or before 31st December, 2022.

a. Issued, Subscribed and fully Paid up shares include 9,00,000 Equity Shares of Rs.10/- each which were allotted as fully paid Bonus Shares by Capitalisation of Reserves.

THANJAVUR SPINNING MILL LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

The Company has filed a petition before the NCLT seeking permission for reduction of Equity Share Capital, Cumulative Redeemable Preference Shares and Cumulative Optionally Convertible Redeemable Preference Shares on 26-07-2019. The NCLT has admitted the Company's petition and directed to convene the meetings of Equity and Preference Shareholders for getting their consent to reduce the Share Capital and such meetings were scheduled on 31.03.2020. Due to lockdown announced by both Government of India and Government of Tamil Nadu on account of Covid-19 outbreak, the above said meetings could not be conducted and after filing a fresh petition before the NCLT seeking further directions, the Company will take necessary actions to reduce the Equity Share Capital and also redeem the preference shares.

b. Reconciliation of the number of shares outstanding:

(Rs. in Lakhs)

Particulars	As at 31-03-2020		As at 31-03-2019	
	No. of Shares	Amount	No. of Shares	Amount
EQUITY SHARES				
Number of shares at the beginning	27,00,000	270.00	27,00,000	270.00
Shares issued during the year	-	-	-	-
Number of Shares at the end	27,00,000	270.00	27,00,000	270.00
PREFERENCE SHARES				
9% Cumulative Redeemable Preference Share				
Number of shares at the beginning	2,50,00,000	2,500.00	2,50,00,000	2,500.00
Shares issued during the year	-	-	-	-
Number of Shares at the end	2,50,00,000	2,500.00	2,50,00,000	2,500.00
9% Cumulative Optionally Convertible Redeemable Preference Share				
Number of shares at the beginning	20,00,000	200.00	20,00,000	200.00
Shares issued during the year	-	-	-	-
Shares redeemed during the year	-	-	-	-
Number of Shares at the end	20,00,000	200.00	20,00,000	200.00

c. List of Equity Shareholders holding more than 5 percent in the Company:

Particulars	As at 31-03-2020		As at 31-03-2019	
	No. of Shares	% of holding	No. of Shares	% of holding
Smt. R.Sudarsanam	2,69,584	9.98%	2,69,584	9.98%
Shri P.R.Venketrama Raja	1,73,891	6.44%	1,73,891	6.44%
Smt. R.Nalina Ramalakshmi	3,89,891	14.44%	3,89,891	14.44%
Smt. Sharada Deepa	3,89,891	14.44%	3,89,891	14.44%
Shri P.V.Abinav Ramasubramaniam Raja	2,13,300	7.90%	2,13,300	7.90%

THANJAVUR SPINNING MILL LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

d. Preference Share Holding:

Particulars	As at 31-03-2020		As at 31-03-2019	
	No. of Shares	% of holding	No. of Shares	% of holding
9% Cumulative Redeemable Preference Share M /s Rajapalayam Mills Limited	2,50,00,000	100.00%	2,50,00,000	100.00%
9% Cumulative Optionally Convertible Redeemable Preference Share				
Smt. R.Sudarsanam	5,00,000	25.00%	5,00,000	25.00%
Shri P.R.Venketrama Raja	5,00,000	25.00%	5,00,000	25.00%
Smt. R.Nalina Ramalakshmi	5,00,000	25.00%	5,00,000	25.00%
Smt. Sharada Deepa	5,00,000	25.00%	5,00,000	25.00%

(Rs. in Lakhs)

As at
31-03-2020

As at
31-03-2019

NOTE NO.:2

RESERVES AND SURPLUS

Securities Premium Reserve

Opening Balance

60.00

60.00

60.00

60.00

General Reserve

Balance as per last Financial Statements

-

(2,915.59)

Add : Amount transferred from surplus

balance in the Statement of profit and loss

-

-

2,915.59

Surplus in the statement of Profit and Loss

Opening Balance

277.13

-

Add: Profit/(loss) for the Period

622.71

4,556.44

Balance available for appropriation

899.84

4,556.44

Less: Appropriation

1st Interim dividend on Preference Shares

243.00

767.03

Tax on Interim Dividend

49.95

157.66

2nd Interim dividend on Preference Shares

-

364.17

Tax on Interim Dividend

-

74.86

Transfer to General Reserve

-

2,915.59

Total Appropriation

292.95

4,279.31

Net Surplus in the statement of Profit and
loss account

606.89

277.13

666.89

337.13

THANJAVUR SPINNING MILL LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	(Rs. in Lakhs)	
	As at 31-03-2020	As at 31-03-2019
NOTE NO.:3		
OTHER CURRENT LIABILITIES		
Liabilities for Other Finance	1.86	2.23
Statutory Liabilities payable	28.51	23.75
Advance from parties for sale of land	68.77	99.73
Payable for land development charges	74.50	193.79
	<u>173.64</u>	<u>319.50</u>
NOTE NO.:4		
SHORT TERM PROVISIONS		
Provision for Employee Benefits	10.50	12.43
NOTE NO.:5		
LONG TERM LOANS AND ADVANCES		
Security Deposits	202.86	202.40
Deposit with Related Parties (Refer Item No.13 of Note No.18)	2,960.00	3,000.00
	<u>3,162.86</u>	<u>3,202.40</u>
NOTE NO.:6		
DEFERRED TAX ASSETS (NET)		
Deferred Tax Asset		
Tax effect on provision for Bonus and Leave Salary Encashment	1.40	2.80
Tax effect on difference between book block and WDV of assets under the Income Tax Act, 1961	-	77.10
Net Deferred Tax Assets	<u>1.40</u>	<u>79.90</u>

THANJAVUR SPINNING MILL LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS

NOTE NO. 7

Assets retired from active use and held for disposal.

Particulars	Year	Gross block						Depreciation			Net block	
		As at the beginning of the year	Additions	Sold	As at the end of the year	As at the beginning of the year	Depreciation for the year	Withdrawn	As at the end of the year	Impairment Loss	As at the end of the year (Asset retired from active use and held for disposal) *	
Land	2019-20	0.57	-	0.37	0.20	-	-	-	-	-	0.20	0.57
	2018-19	2.98	-	2.41	0.57	-	-	-	-	-	0.57	2.98
Buildings	2019-20	32.75	-	32.75	-	11.10	-	-	-	-	-	0.90
	2018-19	1,335.52	-	1,302.77	32.75	610.43	-	599.33	11.10	20.75	0.90	30.00
Plant and Machinery	2019-20	-	-	-	-	-	-	-	-	-	-	-
	2018-19	4,359.99	-	4,359.99	-	2,221.48	-	2,221.48	-	-	-	1,708.87
Electrical Machinery	2019-20	-	-	-	-	-	-	-	-	-	-	-
	2018-19	334.17	-	334.17	-	243.04	-	243.04	-	-	-	91.13
Furniture & Office Equipments	2019-20	-	-	-	-	-	-	-	-	-	-	-
	2018-19	21.26	-	21.26	-	16.78	-	16.78	-	-	-	4.48
Vehicles	2019-20	0.45	-	0.45	-	0.43	-	-	-	-	-	0.02
	2018-19	29.27	-	28.82	0.45	9.80	-	9.37	0.43	-	0.02	19.47
Computer Machinery	2019-20	-	-	-	-	-	-	-	-	-	-	-
	2018-19	22.47	-	22.47	-	21.18	-	21.18	-	-	-	1.29
Total - Tangible Assets	2019-20	33.77	-	33.57	0.20	11.53	-	11.53	-	-	0.20	1.49
	2018-19	6,105.66	-	6,071.89	33.77	3,122.71	-	3,111.18	11.53	20.75	1.49	1,858.22
Intangible Assets												
Computer software	2019-20	-	-	-	-	-	-	-	-	-	-	-
	2018-19	16.80	-	16.80	-	15.96	-	15.96	-	-	-	0.84
Total - Intangible Assets	2019-20	-	-	-	-	-	-	-	-	-	-	-
	2018-19	16.80	-	16.80	-	15.96	-	15.96	-	-	-	0.84

THANJAVUR SPINNING MILL LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	(Rs. in Lakhs)	
	As at 31-03-2020	As at 31-03-2019
NOTE NO.:8		
CASH AND BANK BALANCES		
Balance with Bank		
In Current Account	<u>10.42</u>	<u>11.49</u>
NOTE NO.:9		
SHORT TERM LOANS AND ADVANCES		
Unsecured, considered good		
Income Tax Paid, TDS and Refund receivables	566.71	265.94
Tax Credit Indirect Taxes	<u>2.75</u>	-
	<u>569.46</u>	<u>265.94</u>
NOTE NO.:10		
OTHER CURRENT ASSETS		
Accrued Income	76.04	76.04
Prepaid Expenses	0.34	1.28
Other Current Assets	<u>0.31</u>	<u>0.52</u>
	<u>76.69</u>	<u>77.84</u>

THANJAVUR SPINNING MILL LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	For the year ended 31-03-2020	(Rs. in Lakhs) For the year ended 31-03-2019
NOTE NO.:11		
REVENUE FROM OPERATIONS		
Sale of Products		
Yarn	-	132.28
	-	132.28
	<u>-</u>	<u>132.28</u>
NOTE NO.:12		
OTHER INCOME		
Interest Received	286.37	125.68
Miscellaneous Income	-	46.27
	286.37	171.95
	<u>286.37</u>	<u>171.95</u>
NOTE NO.:13		
CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS		
Opening stock		
Finished Goods	-	129.05
Work-in-Process	-	-
	-	129.05
Less:		
Closing Stock		
Finished Goods	-	-
Net Decrease in Stock	-	129.05
	<u>-</u>	<u>129.05</u>
NOTE NO.:14		
EMPLOYEE BENEFIT EXPENSES		
Salaries, Wages and Bonus	32.59	58.43
Contribution to Provident and Other Funds	4.96	14.41
Staff and Labour Welfare Expenses	1.43	18.45
	38.98	91.29
	<u>38.98</u>	<u>91.29</u>
NOTE NO.:15		
FINANCE COSTS		
Interest Expenses	-	57.95
	<u>-</u>	<u>57.95</u>

THANJAVUR SPINNING MILL LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	(Rs. in Lakhs)	
	For the year ended 31-03-2020	For the year ended 31-03-2019
NOTE NO.:16		
OTHER EXPENSES		
Manufacturing Expenses		
Power and Fuel	-	2.45
Packing Materials Consumed	-	0.17
Repairs - General	<u>0.09</u>	<u>1.47</u>
	0.09	4.09
Establishment Expenses		
Rates and Taxes	0.51	13.79
Insurance	0.78	6.66
Postage and Telephone	0.70	3.30
Printing and Stationery	2.13	1.68
Travelling Expenses	0.41	0.97
Vehicle Maintenance	0.17	1.25
Directors Sitting Fees	0.65	0.75
Audit and Legal Expenses	13.29	11.31
Miscellaneous Expenses	<u>0.92</u>	<u>1.25</u>
	19.56	40.96
Selling Expenses		
Sales Commission	-	1.19
Other Selling Expenses	-	0.65
	<u>-</u>	<u>1.84</u>
	19.65	46.89

THANJAVUR SPINNING MILL LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

NOTE NO: 17

SIGNIFICANT ACCOUNTING POLICIES:

1. Basis of preparation and presentation of financial statements

- i) The financial statements have been prepared under the historical cost convention and in accordance with the generally accepted accounting principles in India, and in compliance of the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of Companies Act, 2013 and Companies Act, 1956 to the extent applicable.
- ii) The accounting policies that are adopted in preparation of the financial statements are consistently followed as in the previous year.
- iii) The financial statements are presented in Indian Rupees and the amounts are rounded to the nearest Lakhs with two decimals, except as stated otherwise.
- iv) The Company generally follows mercantile system of accounting and recognises significant items of income and expenditure on accrual basis.
- v) The Company has considered its operating cycle as 12 months for the purpose of Current or Non-current classification of assets and liabilities.
- vi) The previous year figures are regrouped / restated wherever necessary.

2. Use of Estimates

- i) The preparation of financial statements in accordance with the generally accepted accounting principles requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates in the future periods.
- ii) Estimates and underlying assumptions are reviewed on discontinuing operation basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

3. Cash flow statement

- i) Cash flows are presented using indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.
- ii) Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances, highly liquid investments that are readily convertible into cash.

THANJAVUR SPINNING MILL LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS

4. Revenue recognition

- i) Revenue is recognised to the extent that is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

- ii) Revenue from Operations:
Sale of products is recognised when the significant risks and rewards of ownership of the goods have been passed to the buyer. Sale value excludes Education Cess, Secondary and Higher Education Cess, Trade Discounts, GST and Sales Returns, if any.

- iii) Other Income:
 - i. Interest Income is recognised on time proportion basis.
 - ii. Scrap Sales does not include Education Cess, Secondary and Higher Education Cess, CST, GST.

5. Property, Plant and Equipment (PPE)

PPEs are eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal. When the assets are retired from active use, it is reclassified and have been disclosed separately as “Fixed assets pertaining to discontinuing operations held for sale” in the financial statements. Gains or losses arising from disposal, measured as the difference between the net disposal proceeds and the carrying amount of such assets, are recognised in the Statement of Profit and Loss. Amount received towards PPE that are impaired and derecognized in the financial statements, are recognized in Statement of Profit and Loss, when the recognition criteria are met.

6. Employee Benefits

- i) Short-term employee benefit viz., Salaries and Wages, are recognized as an expense at the undiscounted amount in the statement of profit and loss for the year in which the related service is rendered.
- ii) Defined Contribution plan viz., Contributions to Provident fund and Superannuation fund are recognized as an expense in the statement of profit and loss for the year in which the employees have rendered services.
- iii) The Company contributes to Provident fund administered by the Government on a monthly basis at 12% of employee's basic salary & dearness allowance.
- iv) The Company also contributes for superannuation a sum equivalent to 15% of the employee's eligible annual basic salary subject to a maximum of Rs. 1 Lakh per employee to “Thanjavur Spinning Mill Limited Employees' Superannuation Fund” administered by trustees and managed by LIC of India.

There are no other obligations other than the above defined contribution plans.

THANJAVUR SPINNING MILL LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS

v) Defined Benefit Plan:

a) Gratuity:

The Company has its own approved Gratuity Fund. It is in the form of lump sum payments to vested employees on resignation, retirement, death while in employment or on termination of employment of an amount equivalent to 15 Days' basic salary payable for each completed year of service subject to a maximum statutory limit of Rs. 20 Lakhs. Vesting occurs upon completion of five years of continuous service. The Company makes annual contributions to "Thanjavur Spinning Mill Limited Employees' Gratuity Fund" administered by trustees and managed by LIC of India, based on the internal valuation at the Balance sheet date.

b) Leave Encashment:

The Company has a policy of allowing encashment of un-availed leave for its employees. The expense is recognized at the present value of the amount payable determined based the internal valuation as at the Balance sheet date.

Actuarial gains and losses, if any, in respect of Defined Benefit plans are charged to Statement of Profit and Loss.

7. Segment Reporting

The Company has no segments under AS -17 (Segment Reporting)

8. Earnings Per Share

Net profit after tax attributable to equity shareholder is divided by weighted average number of equity shares as stipulated in Accounting Standard - 20 (Earning per Share)

9. Income tax

- i) Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income tax Act, 1961.
- ii) Current tax assets and liabilities are offset since the Company has legally enforceable right to set off the recognised amounts and intends to settle the asset and the liability on a net basis.
- iii) Deferred tax is recognised on timing difference between taxable income and the accounting income that originates in one period and is capable of reversal in one or more subsequent periods. It is recognised based on the accumulated timing difference using the tax rates and the tax laws enacted or substantially enacted as on reporting date.

THANJAVUR SPINNING MILL LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

- iv) The deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is un-absorbed depreciation or carry forward losses under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. This is reviewed for realisability at each Balance Sheet date.
- v) Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by same governing tax laws and the Company has legally enforceable right for such set off.
- vi) Deferred tax on items directly recognised in reserves is also recognised in reserves and not in the Statement of Profit and Loss.

10. Intangible Assets

- i) The costs of computer software that are installed are accounted at cost of acquisition of such software and are carried at cost less accumulated amortisation and impairment, if any. Internally generated software is not capitalized and the expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.
- ii) The intangible assets that are not yet ready for their intended use are carried at cost including related expenses and attributable interest are recognised as Intangible assets under development.

11. Provision for Impairment of Assets

- i) The carrying values of tangible assets, cash generating units and intangible assets at each balance sheet date are reviewed for impairment if any indication of impairment based on internal and external factors exists.
- ii) Tangible asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value. The intangible assets are treated as impaired when the asset is not available for use and no future economic benefits are expected from its use. After recognition of impairment loss, the depreciation for the fixed assets is provided for remaining useful life based on the revised carrying amount, less its residual value if any, on straight line basis.
- iii) The recoverable amount of an individual asset related to discontinuing operations is determined at the reporting date and where the carrying amount of an assets exceeds its recoverable amount, the value of the asset is written down to its recoverable amount as per Accounting Standard-28 "Impairment of Assets". The recoverable amount is determined based on asset's net realisable value.

THANJAVUR SPINNING MILL LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

- iv) An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired

12. Provision, Contingent Liabilities and Contingent Assets

- i) Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources in respect of which a reliable estimate can be made. Such provisions are not discounted to their present value except relating to retirement benefits. These provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates.
- ii) Insurance claims are accounted for on the basis of claims admitted or expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.
- iii) Contingent liability is a possible obligation that may arise from past events and its existence will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the same are not recognised but disclosed its existence in the financial statements. Contingent Assets are neither recognised nor disclosed.

THANJAVUR SPINNING MILL LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

NOTE NO.:18	(Rs. in Lakhs)	
OTHER DISCLOSURES	As at 31-03-2020	As at 31-03-2019
1. Contingent Liabilities		
Liability on Letter of Credit opened		
Capital Goods	NIL	NIL
Others	NIL	NIL
2. Commitments		
i) Estimated amount of contracts remaining to be executed on capital account not provided	NIL	NIL
ii) Other Commitments:		
Liability on guarantees given to the Bankers	NIL	NIL
3. Sales Tax Assessment upto year ended 31 st March, 2014 has been completed.		
4. Income Tax Assessment have been completed upto the Accounting Year ended 31 st March 2016 i.e. Assessment Year 2016-17.		
5. i) In respect of Electricity matters, Appeals / Writ petition are pending with TNERC / APTEL / High Court for various matters for which no provision has been made in the books of accounts to the extent of Rs.134.23 Lakhs (PY: Rs. 134.23 Lakhs).		
ii) The Company has received orders & demand notices from the office of Commercial Taxes, Thanjavur for an amount of Rs. 549.23 Lakhs towards tax and Rs. 760.50 Lakhs towards penalty related to the assessment years from 2007-08 to 2013-14 alleging that there was an escaped turnover not reported in monthly returns without considering the objections filed by the Company that the same has been reported in monthly return and taxes has already been paid. The Company has challenged the assessment orders / demand notices by means of writ petitions before the Honourable Madras High court, Madurai branch. The Honorable Madras High court, Madurai branch has issued the final order on 07-12-2018 setting aside the impugned order passed by Commercial Tax Department. The office of sales tax department has issued a Revision Notice. A detailed objections have been filed with Assistant Commissioner, Circle II, Thanjavur on 24-05-2019, explaining the facts that taxes has already been paid.		
On 15-02-2020 we have received the revised assessment orders from the Assessing Officer. The Assessing Officer has issued a demand of tax of Rs.5.49 Crores and penalty of Rs.7.60 Crores (Total Rs.13.09 Crores) related to the above assessment years.		

THANJAVUR SPINNING MILL LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS

The Assessing Officer has not stated any valid reason for rejecting the objections filed by the Company. We have filed a writ petition with Honourable Madras High Court, Madurai branch. The Court has granted an Interim stay of the demand notice. In the opinion of the Management, there may not be any tax liability on this matter.

- iii) From October, 2011 onwards TNEB raised demand @ 0.10 paise per unit as electricity tax for electricity generated by wind mills under the Tamil Nadu Tax on Consumption or Sale of Electricity Act, 2003.

The Company has not paid this tax as there was a notification issued under [Tamil Nadu Electricity (Taxation on Consumption) Act, 1962] according to which, the Government of Tamil Nadu gave permanent exemption for the imposition of generation tax in respect of Paper, Textile, Chemical and Sugar Industries.

In spite of the above exemption, TNEB has raised the demand of E-Tax for an amount of Rs. 120.49 Lakhs (Previous year: Rs.120.49 Lakhs) and we have filed a SLP with Supreme Court against the above demand. Since the matter is pending before the Supreme Court, we have not paid the tax. In the opinion of the management, there may not be any tax liability on the above matters.

6. The Company has sold 1.98 Acres of land and Buildings thereon & Unit 'A' land, Sri Saradha Nagar land, which are located at Thanjavur in accordance with the Special Resolution passed by the Shareholders through postal ballot on 03-11-2017 & 20-12-2014. The profit before tax on sale of above, Land and Buildings of Rs.649.87 Lakhs has been shown as an Exceptional Item in the Statement of Profit and Loss.

7. Disclosures relating to Discontinuing Operations

- A. The Board of Directors on 09-08-2017 announced a plan to dispose of the assets pertaining to "B" unit including Land and Building. The Company has passed a Special Resolution for disposal of above said assets by way of Postal Ballot on 03-11-2017. Since the Company will not have any operation, all the revenues and expenses of financial years 2018-19 and 2019-20 are attributed to discontinuing operation only. Accordingly, the Balance Sheet, Statement of Profit and Loss and Statement of Cash Flow are relating to discontinuing operations. The presentation of profit/loss from discontinued operations on the face of the statement of profit and loss was made based on the guidance note issued by the Institute of Chartered Accountants of India (ICAI) in its publication "Financial Statements Presentation under Companies Act, 2013: Practitioner's Perspective" read with Para 32 (a) of AS 24 "Discontinuing Operations".
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THANJAVUR SPINNING MILL LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

B. The carrying value of the total assets and liabilities of discontinued operations as at 31st March, 2020

(Rs. in Lakhs)

Liabilities	As at 31-03-2020	As at 31-03-2019
Non-Current Liabilities	-	-
Current Liabilities	184.14	331.93
Total Liabilities	184.14	331.93
Assets		
Fixed Assets	-	-
Non-Current Assets (other than fixed assets)	3,164.26	3,282.30
Current Assets	656.77	356.76
Total Assets	3,821.03	3,639.06
Net Assets/(Liabilities)	3,636.89	3,307.13

C. The net cash flows attributable to discontinuing operations

Particulars	As at 31-03-2020	As at 31-03-2019
Operating activities	(753.96)	(880.91)
Investing activities	1,045.84	4,566.97
Financing activities	(292.95)	(3,680.05)
Net cash flows/(out flows)	(1.07)	6.01

(Rs. in Lakhs)

8. Auditors' remuneration (excluding GST) & expenses:

Statutory Auditors:

a. As Auditors

- Fees	0.85	0.85
- Expenses reimbursed	-	0.29

b. In other Capacities

- Tax Audit Fees	0.50	0.50
- VAT Audit Fees	-	-

c. Certification Work Fees

0.40	0.30
<u>1.75</u>	<u>1.94</u>

THANJAVUR SPINNING MILL LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

9. During the year Company has paid all necessary fees to NSDL & CDSL.
10. There are no dues to micro, small and medium enterprises / small scale enterprises as at 31-03-2020 (PY: Rs.NIL). This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.
11. As per Accounting Standard -15 (Revised 2005) "Employee Benefits", the disclosures of employee benefits as defined in the Accounting Standard are given below:

	(Rs. in Lakhs)	
	2019-20	2018-19
Defined Contribution Plan:		
Employer's Contribution to Provident Fund	1.50	2.89
Employer's Contribution to Superannuation Fund	1.57	1.69
Details of the Post Retirement Gratuity Plan (Funded) are as follows:		
Reconciliation of opening and closing balances of defined benefit plan:		
Defined Benefit Obligation as at beginning of the year	10.63	35.33
Current Service Cost	-	4.64
Interest Cost	-	1.33
Actuarial (gain) / loss	-	5.09
Past Service Cost - (Vested Benefits)	-	Nil
Benefits paid	(-) 7.32	(-) 35.76
Defined Benefit obligation as at end of the year	3.31	10.63
Reconciliation of opening and closing balances of fair value of plan assets:		
Fair value of plan assets as at beginning of the year	11.14	44.82
Expected return on plan assets	0.61	2.03
Actuarial gain / (loss)	-	(0.19)
Employer Contribution	0.01	0.24
Benefits paid	(-) 7.32	(-) 35.76
Fair value of plan assets as at end of the year	4.44	11.14

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	(Rs.in Lakhs)	
	2019-20	2018-19
Actual Return of plan assets:		
Expected return of plan assets	0.61	2.03
Actuarial gain / (loss) on plan assets	-	(0.19)
Actual return on plan assets	0.61	1.84
Reconciliation of fair value of assets and obligations:		
Fair value of plan assets	4.44	11.14
Present value of obligation	-	10.63
Difference	-	(-) 0.52
Unrecognized transitional liability	NIL	NIL
Unrecognized past service cost non vested benefits	NIL	NIL
Amount recognized in Balance Sheet	NIL	NIL
Expenses recognized during the year		
Current Service Cost	-	4.64
Interest Cost	-	1.33
Expected return on plan assets	0.61	(-) 2.03
Actuarial (gain) / loss	-	5.28
Transitional liability recognized in the year	-	NIL
Past service cost-non-vested benefits	NIL	NIL
Past service cost-vested benefits	NIL	NIL
Net Cost	NIL	9.22

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	(Rs.in Lakhs)	
	2019-20	2018-19
Investment Details as on 31-03-2020		
Government of India Securities	NIL	NIL
State Government Securities	NIL	NIL
High Quality Corporate Bonds	NIL	NIL
Funds with LIC	100%	100%
Bank balance	NIL	NIL
Others	NIL	NIL
Total	100%	100%
 Actuarial assumptions:		
Indian Assured Lives (2006-08) Ultimate Table applied for Service Mortality rate	-	Yes
Discount rate p.a	-	7.01%
Expected rate of return on plan assets p.a	-	7.43%
Rate of escalation in salary p.a	-	4.00%
 Details of Leave Encashment Plan (Unfunded) are as follows:		
Reconciliation of opening and closing balances of Obligation:		
Present Value of Obligation as on 01-04-2019	9.53	28.38
Current Service Cost	-	2.93
Interest Cost	-	1.12
Actuarial (gain) / loss	-	4.56
Benefits paid	1.59	(-) 27.46
Defined Benefit obligation as on 31-03-2020	7.94	9.53

THANJAVUR SPINNING MILL LIMITED
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	(Rs.in Lakhs)	
	2019-20	2018-19
Reconciliation of opening and closing balances of fair value of plan assets:		
Fair value of plan assets as on 01-04-2019	-	NIL
Expected return on plan assets	-	NIL
Actuarial gain / (loss)	-	NIL
Employer Contribution	-	27.46
Benefits paid	1.59	(-) 27.46
Fair value of plan assets as on 31-03-2020	NIL	NIL
Actual Return of plan assets:		
Actuarial gain / (loss) on plan assets	NIL	NIL
Actual return on plan assets	NIL	NIL
Reconciliation of fair value of assets and obligations:		
Fair value of plan assets	NIL	NIL
Present value of obligation	7.94	9.53
Difference	7.94	9.53
Unrecognized transitional liability	NIL	NIL
Unrecognized past service cost non vested benefits	NIL	NIL
Amount recognized in Balance Sheet	7.94	9.53
Expense recognized during the year:		
Current Service Cost	-	2.93
Interest Cost	-	1.12
Expected return on plan assets	NIL	NIL
Actuarial (gain) / loss	-	4.56
Transitional liability recognized in the year	NIL	NIL
Net Cost	-	8.61

THANJAVUR SPINNING MILL LIMITED
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	(Rs.in Lakhs)	
	2019-20	2018-19
Investment Details as on 31-03-2020:		
Government of India Securities	NIL	NIL
State Government Securities	NIL	NIL
High Quality Corporate Bonds	NIL	NIL
Funds with LIC	NIL	NIL
Bank balance	NIL	NIL
Others	NIL	NIL
Total	NIL	NIL
 Actuarial assumptions:		
Indian Assured Lives (2006-08) Ultimate Table applied for Service Mortality rate	-	Yes
Discount rate p.a	-	7.01%
Expected rate of return on plan assets p.a	NIL	NIL
Rate of escalation in salary p.a	-	4.00%

THANJAVUR SPINNING MILL LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

	(Rs. in Lakhs)	
	2019-20	2018-19
12. Earnings per Share		
Basic Earnings per Share		
Profit/(Loss) After Tax	622.71	4,556.44
Less: Preference dividend on 2,50,00,000 nos of 9% Redeemable Preference Shares including Dividend distribution tax thereon	(271.26)	(271.26)
Less: Preference dividend on 20,00,000 nos of 9% Cumulative Optionally Convertible Redeemable Preference Shares including Dividend distribution tax thereon (Shares issued on 28-12-2016)	(21.70)	(21.70)
Total Profit attributable to Equity Shareholders	329.76	4,263.48
No. of Equity Shares	27.00	27.00
Basic EPS	12.21	157.91
Diluted Earnings Per Share		
Profit available to Equity Shareholders	329.76	4,263.48
Add: Preference dividend on 20,00,000 nos of 9% Cumulative Optionally Convertible Redeemable Preference Shares including Dividend distribution tax thereon (Shares issued on 28-12-2016)	21.70	21.70
Total Profit attributable to Equity Shareholders	351.46	4,285.18
No. of Equity shares	27.00	27.00
Add: Adjusted Weighted average no. of Shares upon conversion of 20,00,000 nos.of 9% Cumulative Optionally Convertible Preference Shares (issued on 28-12-2016)	20.00	20.00
Total No. of Equity Shares (including potential Equity Shares)	47.00	47.00
Diluted EPS	7.48	91.17

13. RELATED PARTY TRANSACTIONS

As per Accounting Standard-18 (Related Party Disclosures) issued by the Institute of Chartered Accountants of India, the Company's related parties are given below:

a. Key Managerial Personnel (including KMP under Companies Act, 2013)

Shri S. Muthusamy	Chief Executive Officer (upto 31-05-2020)
Shri A. Karthiswaran	Company Secretary (upto 17-08-2019)
Shri G. Ramachandran	Chief Financial Officer

THANJAVUR SPINNING MILL LIMITED
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b. Enterprises over which the above persons exercise significant influences and with which the Company had transactions during the year:

M/s. Rajapalayam Mills Limited
M/s. Sri Vishnu Shankar Mill Limited
M/s. Ramco Industries Limited
M/s. Sandhya Spinning Mill Limited

c. Employee Benefit Funds where control exists

Thanjavur Spinning Mill Limited Employees' Superannuation Fund
Thanjavur Spinning Mill Limited Employees' Gratuity Fund

The Company's transactions with the above Related Parties are summarized below:

A) Remuneration to Key Managerial Personnel

(Rs. in Lakhs)

Key Managerial Personnel	2019-20	2018-19
Shri S. Muthusamy, Chief Executive Officer (upto 31-05-2020)	21.54	20.17
Shri A. Karthiswaran, Company Secretary (upto 17-08-2019)	2.11	5.89
Shri G. Ramachandran Chief Financial Officer	6.56	6.30

B) Inter Corporate Deposit given

Name of the Related Party	Outstanding Amount as at	
	31-03-2020	31-03-2019
Rajapalayam Mills Limited	2,460	2,500
Sandhya Spinning Mill Limited	500	500

C) Inter Corporate Deposit Interest received

Name of the Related Party	2019-20	2018-19
Rajapalayam Mills Limited	241.25	113.20
Sandhya Spinning Mill Limited	45.12	3.32

THANJAVUR SPINNING MILL LIMITED
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D) Sale of Goods Supplied / Service Rendered

(Rs. in Lakhs)

Name of the Related Party	Value		Outstanding as at	
	2019-20	2018-19	31-03-2020	31-03-2019
Rajapalayam Mills Limited	-	31.16	NIL	NIL
Ramco Industries Limited	-	2.30	NIL	NIL
Sandhya Spinning Mill Limited	-	11.05	NIL	NIL
Sri Vishnu Shankar Mill Limited	-	0.90	NIL	NIL

E) Contribution to Superannuation Fund / Gratuity Fund

Name of the Related Party	2019-20	2018-19
Thanjavur Spinning Mill Limited Employees' Superannuation Fund	1.57	1.69
Thanjavur Spinning Mill Limited Employees' Gratuity Fund	1.89	9.22

14. Dividend Paid

Name of the Related Party	2019-20	2018-19
Rajapalayam Mills Limited	225.62	1,059.04

15. Maximum amount of loans and advances / (borrowings) outstanding during the year:

Name of the Related Party	2019-20	2018-19
Rajapalayam Mills Limited	2,864.00	2,500.00
Sandhya Spinning Mill Limited	511.34	500.00

As per our report annexed

For and on behalf of the Board of Directors

For M/s.M.S. Jagannathan & N. Krishnaswami
Chartered Accountants
FRN - 001208S

P.A.S. Krishnama Raja
Director

P.J.Ramkumar Rajha
Director

K.Srinivasan
Partner
Membership No.021510

G.Ramachandran
Chief Financial Officer

Rajapalayam
24th June, 2020