

GNANAMBIKAI MILLS LIMITED

85th Annual Report
for the year ended 31st March, 2022

GNANAMBIKAI MILLS LIMITED
CIN : U17111TZ1935PLC000056
COIMBATORE

BOARD OF DIRECTORS

Chairman
Shri. V.S. Chinnaswamy

Managing Director
Shri. Senthil Chinnasamy

Directors

Shri. V.S. Kulandaivel
Smt. Banumathy Chinnaswamy
Shri. M. Suresh
Shri. D. Ashok Kumar

Auditors

Diwakar & Associates
Firm Reg No. 015661S
Chartered Accountant
Coimbatore

BANKERS

ICICI Bank Ltd.
183, 184, Red Rose Towers
D.B. Road, R.S. Puram,
Coimbatore-641 002.

REGISTERED OFFICE

ALANKAR BUILDING
III FLOOR, 551, D.B. ROAD
R.S.PURAM
COIMBATORE - 641 002

MILL

POST BOX NO. 5307
GNANAMBIKAI MILLS POST
COIMBATORE - 641 029

NOTICE TO SHARE HOLDERS

Notice is hereby given that the 85th Annual General meeting of the members of the Company will be held at the registered Office of the Company at Alankar Buildings, IIIrd Floor, 551, D.B. Road, R.S.Puram, Coimbatore – 641 002, to be held on Friday, the 30th September 2022 at 10.15 AM to transact the following business. All members are requested to attend.

AGENDA

Ordinary Business :

1. To receive, consider and adopt the accounts for the period ended 31st March 2022, the Balance Sheet as on 31st March, 2022, the statement of Profit and Loss and Cash Flow Statement for the period ended as on that date and Report of Board of Directors and the Auditors thereon.
2. To appoint a Director in the place of Shri. M. Suresh, having (DIN 01868013) who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in the place of Shri. D. Ashok Kumar, having (DIN 01853514) who retires by rotation and being eligible, offers himself for re-appointment.

For GNANAMBIKAI MILLS LIMITED

Senthil Chinnasamy

Managing Director

(DIN : 00020229)

Place : Coimbatore

Date : 05.09.2022

Notes :

1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself. Such proxy need not be a member of the company. But a person can act as proxy on behalf of members not exceeding fifty (50) and holding not more than ten percent of the total share capital of the Company.
2. The instrument appointing the proxy, duly completed, must be deposited at the Company's Registered Office not less than 48 hours before the commencement of the meeting. A proxy Form for the AGM is enclosed herewith.
3. Members/Proxies should bring the duly filled attendance slip enclosed herewith to attend the meeting.
4. As per the green initiative taken by the Ministry of Corporate Affairs, the shareholders are advised to register their e-mail address with the Company in respect of shares held in physical form to enable the Company to serve documents in electronic form.
5. All unclaimed dividend shall be transferred to the "Investor Education and Protection Funds" of the Central Government after a period of 7 years from the date of declaration.
6. Due to covid-19 pandemic the company has taken necessary steps to maintain social distancing and other safety measures prescribed by the Government of India from time to time. Members are requested to attend the meeting by wearing face masks and maintain the social distancing norms during the meeting compulsorily.

Details of Director seeking re-appointment pursuant of Secretarial Standards (SS-2)

Name	Shri. M. Suresh
DIN	01868013
Date of Birth	18.10.1971
Date of Appointment on the Board	01.09.2003
Inter-se relationship with other Directors	N.A.
Qualification	Graduate
Expertise in area	Industrialist
No. of Shares held	23965
Board Position held	Director
Terms and conditions of appointment/re-appointment	Retirement by rotation
Remuneration	NIL
Number of Board Meetings attended during the year	5
Directorships held in other Companies	N.A.
Chairmanship / Membership in other Committees	-

In respect of the above material facts, the board of directors of your Company seeking approval of Shareholders by way of passing ordinary resolution as set out in Item No. 02 of this Notice.

Name	Shri. D. Ashok Kumar
DIN	01853514
Date of Birth	31.10.1971
Date of Appointment on the Board	01.09.2003
Inter-se relationship with other Directors	N.A.
Qualification	Graduate
Expertise in area	Industrialist
No. of Shares held	20820
Board Position held	Director
Terms and conditions of appointment/re-appointment	Retirement by rotation
Remuneration	NIL
Number of Board Meetings attended during the year	5
Directorships held in other Companies	N.A.
Chairmanship/Membership in other Committees	-

In respect of the above material facts, the board of directors of your Company seeking approval of Shareholders by way of passing ordinary resolution as set out in Item No. 03 of this Notice.

DIRECTORS REPORT

Ladies and Gentleman,

Your Directors are pleased to present the 85th Annual Report of your Company together with the Audited Statements of Accounts and the Auditors Report of your Company for the financial year ended, 31st March, 2022. The summarized financial results for the year ended 31st March, 2022 are as under:

FINANCIAL PERFORMANCE

The Performance of the Company for the Financial Year ended 31st March, 2022 is summarized below:

Particulars for the financial year	Rs. In Hundreds 31/03/2022	Rs. In Hundreds 31/03/2021
Total Revenue	423158	360285
Less: Total Expenses (excluding Finance Cost, Depreciation and Amortisation Expense & Exceptional Items and Tax)	346497	285543
Profit/(Loss) Before Interest and Depreciation	76661	74742
Less: Finance Cost/Interest	37299	31849
Less: Depreciation & Amortisation Expense	23852	18574
Add: Exceptional items	67	—
Profit /(Loss) Before Tax	15577	24319
Less: Tax	(1326)	(2066)
Profit /(Loss) After Tax (from continuing operations)	16903	26386
Add: Loss After Tax (from discontinuing operations)		
Profit / (Loss) for the year	16903	26386

PERFORMANCE REVIEW

During the financial year under review, the profit after depreciation and tax was Rs.16.90 lakhs as against profit of Rs.26.38 lakhs in the previous year. Your Company has made a turnover of Rs.237.95 lakhs from Cotton Waste and Cotton Yarn Trading as well as Rs.183.07 lakhs towards renting of immovable property during the year.

DIVIDEND

Your Directors regret their inability to recommend any dividend for the financial year ended 31st March 2022 in view of the inadequacy of profits.

OUTLOOK

The Company explore the possibility of extending the trading of cotton yarn and cotton. In addition to that, efforts are being made to improve the business activities, to enter new areas & products and to increase the revenue of the company.

CHANGES IN THE NATURE OF BUSINESS, IF ANY

During the year under review, there was no change in the nature of business of the Company.

ANNUAL RETURN OF THE COMPANY

Pursuant to the provisions of Section 134(3) (a) of the Companies Act, 2013, read with Section 92 (3) of the Act the copy of the Annual Return for the financial year ended 31/03/2022 shall be made available on the Company's website viz., <http://www.gnmills.in/>

AMOUNT TRANSFERRED TO RESERVES

During the year under review, the Board of Directors of your company has not transferred any amount to reserves account.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

During the year under review, there was no unclaimed dividend required to be transferred to the Investor Education and Protection Fund.

HOLDING COMPANY:

During the year under review, Your Company is not a subsidiary to any other Company.

SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANIES

During the year under review, your Company does not have any Subsidiary or Joint Venture Company or associate company.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

During the year under review, there have been no significant and material orders passed by the Regulators or Courts or Tribunals, which would impact the going concern status and the Company's operations in future.

DEPOSITS

Your Company has not accepted any deposits within the meeting of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

SHARE CAPITAL

During the year under review the company has not made any changes in the capital structure of the company.

INTERNAL CONTROL SYSTEMS AND COMPLIANCE FRAMEWORK

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The Internal financial controls are adequate and are operating effectively so as to ensure orderly and efficient conduct of business operations.

DETAILS OF DIRECTORS OR KEY MANAGERIAL PERSONNEL WHO WERE APPOINTED OR HAVE RESIGNED DURING THE YEAR

The Company's policy is to maintain optimum number of Directors. The Board of Directors is the apex body constituted by shareholders for overseeing the Company's overall functioning. During the year under review, there was no change in the constitution of Board of Directors of the Company. In accordance with the Companies Act, 2013 and the Article of Association of the Company, Shri. M. Suresh and Shri. D. Ashok Kumar Directors of the Company retire by rotation at the ensuing Annual General Meeting and eligible themselves for reappointment.

SL. NO	NAME	DIN	DESIGNATION
1	Shri. V.S. Chinnaswamy	01745060	Director
2	Shri. Senthil Chinnasamy	00020229	Managing Director
3	Shri. V.S. Kulandaivel	01086943	Director
4	Smt. Banumathy Chinnaswamy	01745007	Director
5	Shri. M. Suresh	01868013	Director
6	Shri. D. Ashok Kumar	01853514	Director

NUMBER OF BOARD MEETINGS HELD

During the year under review, the Board of Directors of your Company has duly met 05 times during the financial year from 01st April 2021 to 31st March 2022 as per the provisions of the companies Act 2013, read with applicable secretarial standard. The dates on which the meetings were held are as follows:

7th May 2021, 14th Aug 2021, 18th Sep 2021, 13th Nov 2021 and 14th Feb 2022.

S.No.	Name of Directors	Number of Meeting Eligible	Number of Meeting Attended
1	Shri. V.S. Chinnaswamy	5	5
2.	Shri. Senthil Chinnasamy	5	5
3.	Shri. V.S. Kulandaivel	5	5
4.	Smt. Banumathy Chinnaswamy	5	5
5.	Shri. M. Suresh	5	5
6.	Shri. D. Ashok Kumar	5	5

SECRETARIAL STANDARDS

The Company has followed the applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings' respectively.

MATERIAL CHANGES AND COMMITMENTS

There have not been any material changes and commitments affecting the financial position of the company between the end of the financial year of the company as on 31st March, 2022 and the date of this report.

DECLARATION BY INDEPENDENT DIRECTORS

During the year under review, the provisions of Section 149 of the Companies Act, 2013 pertaining to appointment of Independent Directors, does not apply to your Company as the company ceased as Listed Company.

KEY MANAGERIAL PERSONNEL

During the year under review, the provisions of Section 203 of the Companies Act, 2013 relating to appointment of Key Managerial Personnel, do not apply to your Company.

EXIT FROM DISSEMINATION BOARD OF NSE

Pursuant to SEBI Circular no. SEBI/HO/MRD/DSA/CIR/P/2016/110 dated October 10, 2016, your company has been removed from the NSE Dissemination Board with effect from April 24, 2019.

AUDITOR

M/s. DIWAKAR & ASSOCIATES, (Firm Registration Number: 015661S), Chartered Accountants, Coimbatore, has appointed as Statutory Auditors of the Company by the members at the 84th Annual general meeting held on 08th December, 2021, to audit the books of accounts of the Company for the period of 05 years effective from 1st April, 2021 to 31st March, 2026.

OBSERVATION OF STATUTORY AUDITOR IN RESPECT OF THEIR AUDIT REPORT

Auditor's observations are suitably explained in the notes to the accounts and are self explanatory.

DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS

The Statutory Auditors of the Company have not reported any fraud as specified under the second proviso of Section 143(12) of the Act (including any statutory modification(s) or re-enactment(s) for the time being in force).

INTERNAL AUDITOR

Appointment of an internal auditor for the financial year 2021-2022 pursuant to Section 138 of the Company Act, 2013 and read with Rule 13 of the Companies (Accounts) Rules, 2014 does not arise

COST AUDIT

Provisions relating to Cost Audit and Cost Compliance are not applicable to the Company.

CONSOLIDATED FINANCIAL STATEMENT

During the year under review, In accordance with the provisions of the Act, the Audited Consolidated Financial Statements is not applicable to the Company.

SECRETARIAL AUDITORS REPORT

During the year under review, the provisions relating to Section 204 of Companies Act, 2013 does not apply to your Company.

LOAN FROM DIRECTORS AND THEIR RELATIVES,

The unsecured loan was obtained from a director during the year 2001- 2002 out of which an amount of Rs.53,00,000/- has been pending for repayment and the director has ceased to be a director. This may be repaid in the forthcoming year.

RISK MANAGEMENT POLICY

Your board has taking necessary steps for the development and implement of the Risk Management Policy, for identifying and managing risk. At present the Company has not identified any element of risk which may threaten the existence of the Company.

INTERNAL FINANCIAL CONTROLS

During the year under Review, Your Company had laid down internal financial controls and such internal financial controls are adequate with reference to the Financial Statements and were operating effectively.

NOMINATION AND REMUNERATION COMMITTEE

During the year under review, the provisions of Section 178 of the Companies Act, 2013 relating to the constitution of a Nomination and Remuneration Committee do not apply to the Company and hence the Company has not devised any policy relating to Directors' appointment and their remuneration.

AUDIT COMMITTEE AND VIGIL MECHANISM

During the year under review, the provisions of Section 177 of the Companies Act, 2013 read with Rule 6 and 7 of the Companies (Meetings of the Board and its powers) Rules, 2013 is not applicable to the Company.

ANNUAL EVALUATION OF THE PERFORMANCE OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

Provisions of Section 134 (3) (p) of the Act relating to statement indicating the manner in which formal annual evaluation of the performance of the Board, its Committees and of individual Directors has been made is not applicable to the Company.

DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016) DURING THE YEAR ALONGWITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR

No application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year under review.

DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF

Disclosure under Rule 8 (5) (xi) of the Companies (Accounts of Companies) Rules, 2014 is does not arise during the reporting period.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS.

During the year, the Company has not provided any loans, guarantees and made investments covered under the provisions of Section 186 of the Companies Act, 2013. Hence no information as per provisions of Section 134(3)(g) of the Companies Act, 2013 has been furnished.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013.

Internal Complaints Committee (ICC) has been set up by the Company to redress complaints received in respect of Sexual Harassment. All employees are covered under this policy. The Company has not received any sexual harassment complaint at workplace during the year 2021-2022.

CONTRACTS/ARRANGEMENTS WITH RELATED PARTIES

Details of Contracts/arrangement with the related form part of this report. All related party transactions that were entered into during the year under report were on arm's length basis and were in the ordinary course of business. The related party transactions made by the Company with Promoter Company, have no potential conflict with the interest of the Company at large. The Company management ensures all the Related Party Transactions to establish Arm's Length Basis without any compromise.

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

Information required under section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is given in the **Annexure-A** to this report.

PARTCULARS OF EMPLOYEES

There are no employees covered under the provisions of Section 134(3)(q) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

CORPORATE SOCIAL RESPONSIBILITY

Provision relating CSR under section 135 of the companies Act, 2013 is not applicable to the company.

DISCLOSURE UNDER SECTION 134(3)(I) OF THE COMPANIES ACT, WITH RESPECT TO MATERIAL CHANGES AFTER THE DATE OF FINANCIAL REPORT.

There were no material changes and commitments affecting the financial position of the Company between the end of the financial year of the Company as on 31st March, 2022 and the date of this report.

DIRECTORS RESPONSIBILITY STATEMENT

In terms of the provisions of section 134 (5) of the Companies Act, 2013, directors would like to state that:

- a) In the preparation of annual accounts for the year ended 31st March 2022, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- b) The directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for the same period.
- c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- d) The directors had prepared the annual accounts on a going concern basis; and

- e) The directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such system are adequate and operating effectively.

GENERAL DISCLOSURE

Your Directors state that no disclosure or reporting is required in respect of the following matters as there were no transactions on these items during the year under review:

1. Issue of equity shares with differential rights as to dividend, voting or otherwise.
2. Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except Employees' Stock Options Schemes referred to in this Report.
3. The Company does not have any scheme of provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees.

Acknowledgements:

Your Directors wish to thank the Company Bankers, Investors, Customers, Suppliers and Employees for their continuing support in the smooth functioning of your company.

For GNANAMBIKAI MILLS LIMITED

V.S.Chinnaswamy

Chairman

(DIN: 01745060)

Place : Coimbatore

Date : 05.09.2022

For GNANAMBIKAI MILLS LIMITED

Senthil Chinnasamy

Managing Director

(DIN : 00020229)

Annexure - A**A. CONSERVATION OF ENERGY**

Your company has not carried any manufacturing activities during the reporting period. Hence, disclosure of Conversion of energy does not arise.

B. TECHNOLOGY ABSORPTION

Your company has not carried any manufacturing activities during the reporting period. Hence, disclosure of Technology Absorption does not arise.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

During the financial year 2021-2022 & previous financial year 2020-2021 there is/was no earnings and outgo of foreign exchange.

**ADDENDUM TO THE BOARDS REPORT UNDER SECTION (3) (f) (I) OF
SECTION 134 OF COMPANIES ACT, 2013**

The unsecured loan was obtained from a director during the year 2001- 2002 out of which an amount of Rs. 53,00,000/- has been pending for repayment and the director has ceased to be a director. This may be repaid in the forthcoming year.

For GNANAMBIKAI MILLS LIMITED

V.S.Chinnaswamy

Chairman

(DIN: 01745060)

Place : Coimbatore

Date : 05.09.2022

For GNANAMBIKAI MILLS LIMITED

Senthil Chinnasamy

Managing Director

(DIN : 00020229)

UDIN : 22216333AQXHH07017

INDEPENDENT AUDITOR'S REPORT**To the Members of M/s. GNANAMBIKAI MILLS LIMITED****Report on the Audit of the Financial Statements****Opinion**

I have audited the accompanying financial statements of **M/s GNANAMBIKAI MILLS LIMITED** ("the Company") which comprises the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In my opinion and to the best of my information and according to the explanations given to me, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India,

- 1) of the state of affairs of the Company as at March 31, 2022,
- 2) its Profits and
- 3) its Cash Flows for the year ended on that date.

Basis for Opinion

I conducted my audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. My responsibilities under those Standards are further described in the Auditor's Responsibilities for the audit of the financial Statements section of my report. I am independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to my audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the Code of Ethics.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibility of Management 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 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.

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; 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 statement 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 also responsible for overseeing the company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

My objective is 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 my 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 Standards on Auditing specified under Section 143(10), I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- ◆ Identify and assess the risk 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 my 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.
- ◆ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, I am also responsible for expressing my opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- ◆ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ◆ 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 I conclude that a material uncertainty exists, I am required to draw attention in my audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusion is based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ◆ 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.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. I consider quantitative materiality and qualitative factors in

- (i) Planning the scope of my audit work and in evaluating the results of my work and
- (ii) To evaluate the effect of any identified misstatements in the financial statements.

I 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 I identify during my audit.

I also provide those charged with governance with a statement that I 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 my independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

EMPHASIS OF MATTER:

I draw attention to the following matters in the notes to the financial statements:

Note 34.

A loan was obtained from a director (Mr.Ramkumar Giri) during the year 2001-02 out of which an amount of Rs.53,00,000/- has been pending for repayment and the director has ceased to be a director.

Note 35.

The Company has received a letter dated 03.12.2014 from Madras Stock Exchange Limited informing that, the company has ceased to be a listed Company and moved on to the Dissemination Board of NSE with effect from 01.12.2014. Further, in lieu of the Company ceased to be a listed company with MSE, the CIN L17111TZ1935PLC000056 has been changed to U17111TZ1953PLC000056. Hence, compliances of Listing Agreement and Secretarial Audit under Section 204 of the Companies Act, 2013, read with Rule 9 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules,2014 and other related Compliances does not arise for the Company.

The company has applied to National Stock Exchange of India Limited to provide exit opportunity to Shareholders and also submitted necessary papers and documents. Subsequently the Company has been removed from Dissemination Board of NSE as per the Communication Circular dated 16.04.2019. Mr.V.S.Chinnaswamy Chairman of the Company, has deposited the money Rs.22 lakhs in an Escrow Account and executed a Bank Guarantee for Rs.40 lakhs in favour of NSE by pledging his fixed deposit on behalf of the Company. Further, the payment was made from Escrow Account to those who have submitted shares and the said shares were transferred to Mr.V.S.Chinnaswamy. The shareholders have submitted 5480 shares upto 31.03.2020 and payment was made through Escrow account for entire shares submitted by the Shareholders on exit offer process.

The Public Announcement Pursuant to Provisions of Clauses (iv), (v), (vi) & (ix) of Annexure-A to SEBI CIRCULAR SEBI/HO/MRD/DSA/CIR/P/2016/110 Dated October 10, 2016 was made on 03/01/2019 and individual letter were also sent to the Shareholders. The said exit offer period of one year from 05/01/2019 to 04/01/2020, has been completed.

After the completion of one year from the end of exit offer, compliance certificate has been obtained from the Merchant Banker. The company has submitted the compliance certificate and other required documents to NSE during the year and NSE has released the bank guarantee vide letter dt. 10.11.2020 and the same were submitted to the Bank and the escrow account has been closed. Now, the company has completely come out of the Dissemination Board.

Note 39.

During the year Fixed deposit held by Mr. Senthil Chinnasamy Rs.1,36,00,000 has been carrying interest at the rate of 4% per annum with effect from 01.04.2019 as per the Board Resolution dated. 13.04.2019.

Note 42.

Nationwide lockdown, consequent to spread of COVID-19 pandemic had temporarily disrupted the operations of the company. The business activities during May 2021 was inoperative, which along with the COVID impact globally (before the lockdown in India) impacted the revenues for the year. The impact on the revenue during the year is negligible. Based on the internal and external information up to the date of approval of this financial statements, the company expects to recover the carrying amounts of its assets, investments, trade receivables, and inventories. The Company will continue to monitor the future economic conditions and assess its impact on its financial statements.

Note 44.

Additions made during FY 20-21 to the Property, Plant & Equipment of the company includes a Motor car amounting to Rs.45,78,246/-, having its Registration No. DL1CS4666, which is registered in the name of its Managing Director Senthil Chinnasamy (DIN:00020229). The car is recorded in the books of the company as it is purchased wholly for the use of the company. However, for easement of the registration process, it has been registered in the name of the Managing Director.

My Opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

As required by the Company (Auditor's Report) Order 2020, ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, I give in Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

As required by Section 143(3) of the Act, I report that:

- a) I have sought and obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of my audit.
- b) In my opinion, proper books of account as required by law have been kept by the Company so far as it appears from my 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 my 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.
- e) On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to my separate report in "Annexure B".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197 (16) of the Act, as amended, in my opinion and to the best of my information and according to the explanations given to me, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act
- h) 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 my opinion and to the best of my information and according to the explanations given to me:
 - 1. The Company has disclosed the impact of pending litigations on its financial position in its financial statements as below:

Note No.36: The company has filed a case against M/s Padmanabha Auto Weavers, M/s Sri Vaari Spinning Mills, M/s.SSM Mills Private Limited and M/s V.R.Textiles P Ltd amounting to Rs.2,26,600/- Rs.19,19,337/- Rs.2,40,830/- and Rs.60,06,431/- respectively towards sale of cotton yarn and cotton, which is pending in the court.

Note No. 28: The company's title of land bearing SF. No. 305 & 324 in which to the extent of 62 cents is under dispute for which the suit are pending before of the Honourable High Court of Chennai.
 - 2. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - 3. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

4. As per the representation given by the management the company has not advanced any funds to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
5. As per the representation given by the management the company has not received any funds from any persons or entities, including foreign entities ("Funding Parties") with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
6. The company has not declared or paid any dividend during the year.

For Diwakar & Associates
Firm Reg No. 015661S
Chartered Accountant

P.K. Diwakar
Proprietor
M.No. 216333

Place : Coimbatore
Date : 05.09.2022

Annexure-A to the Independent Auditors' Report

The Annexure referred to in paragraph 1 under the heading "**Report on Other Legal and Regulatory Requirements**" of my report of even date to the members of **GNANAMBIKAI MILLS LIMITED** ("the company"). On the accounts of the company for the year ended 31st March 2022.

On the basis of such checks as I considered appropriate and according to the information and explanations given to me during the course of my audit, I report that:

1. (a) The company is maintaining proper records showing full particulars including quantitative details and situation of its property, plant & equipment and intangible assets.
- (b) The Company has a program of physical verification to cover all the items of fixed assets in a phased manner over a period of three years, which, in my opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to me, no material discrepancies were noticed on such verification.
- (c) As per the information and explanations and records provided for verification, all the immovable properties held by the company are owned by the company and the title deeds and other documents are held in the name of the company. However, there is a dispute regarding the land of the company as referred in Note No.28 to the financial statements.
- (d) The company has not revalued its Property, Plant & Equipment or Intangible assets or both during the year.
- (e) There are no proceedings being initiated against the company for holding benami property under The Benami Transactions (Prohibition) Act, 1988 and rules made thereunder and the same have been appropriately disclosed in the financial statements.
2. According to the information and explanations given to me physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed.
3. According to the information and explanations given to me and on the basis of my examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Consequently, the provisions of clauses 3(a) and 3(b) is not applicable.
4. The company has not provided loans or investments or guarantees or securities which fall under the purview of sec 185 and 186 of the Companies Act, 2013. Accordingly, paragraph 3(iv) of the Order is not applicable.
5. According to the information and explanations given to me, the company has accepted deposits from related parties:

Particulars	Name of the Party	Amount as on 31.03.2021	Interest accrued	Repayment	Amount as on 31.03.2022
Inter corporate Deposits (along with interest accrued thereon) from companies in which directors are interested	M/s. GNM Textiles Pvt Ltd	6564491	221400	1220000	5565891
Interest free fixed deposits from shareholders	Shri. Ramkumar Giri	5300000			5300000
Fixed deposits @ 4% from Directors along with interest accrued thereon	Shri. Senthil Chinnasamy	14342800	489600	300000	14532400
Interest free fixed deposits from Director	Shri. V.S. Chinnaswamy	26000000			26000000
Interest free Cumulative deposits from Director	Shri. V.S. Chinnaswamy	814000			814000
Interest free Cumulative deposits from Director	Shri. V.S. Chinnaswamy	279353			279353
Unsecured loans @9% along with interest accrued thereon	Shri. Senthil Chinnasamy	4062187	303750	-	4365937
		57362831	1014750	1520000	56857581

The company has not accepted any deposits from the public as mentioned under section 73 to 76 of the Companies Act, 2013.

6. The Central Government of India has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Act for any of the activities of the company and accordingly paragraph 3 (vi) of the order is not applicable to the company since the turnover is within the prescribed limit.
7. (i) The company is regular in depositing undisputed statutory dues with appropriate authorities and no statutory dues were in arrears as at 31st March 2022 for a period of more than six months from the date they became payable except ESI payable Rs. 1,83,057/-, Urban Land Tax payable Rs. 12,81,706/- and GST of Rs. 60,628/-.
8. There are no transactions that are required to be recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
9. (i) The company has not defaulted in any repayment of dues to any financial institution or bank or debenture holders.
(ii) The company has not been declared as a wilful defaulter by any bank or financial institution or other lender.
(iii) The term loans have been utilised for the purposes for which they were obtained.
(iv) The funds raised on short term basis have not been utilised for long term purposes.
(v) The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
(vi) The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
10. (i) The company has not made any initial public offer during the year.
(ii) The company has not made any preferential allotment or private placement of shares/debentures during the year.
11. Based upon the audit procedures performed and information and explanations given to me by the management, I report that no fraud by the company or on the company have been noticed or reported during the course of my audit. Further, the company has not received any whistle blower's complaints during the year.
12. In my opinion and according to the information and explanations given to us, the company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the order is not applicable.
13. The transactions entered into with related parties are in compliance with 188 of The Companies Act 2013 and the details have been disclosed in the financial statements as required by the applicable accounting standards.
14. Appointment of an internal auditor for the financial year 2021-22 pursuant to Section 138 of the Companies Act, 2013 and read with Rule 13 of the Companies (Accounts) Rules, 2014 is not applicable to the company and accordingly, paragraph 3(xiv) of the order is not applicable.
15. The company has not entered into any non-cash transactions with directors or persons connected with directors, during the year.
16. As the company is not in non-banking financial services, the Company is not required to be registered u/s 45-IA of the Reserve Bank of India Act, 1934 and accordingly, paragraph 3(xvi) of the order is not applicable.

17. The company has not incurred cash losses during the Financial Year and the immediately preceding Financial Year.
18. There has not been any resignation of the statutory auditors during the year.
19. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, I am of the opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
20. The provisions of the section 135 of the Companies Act, 2013 are not applicable to the company.

For Diwakar & Associates
Firm Reg No. 015661S
Chartered Accountant

P.K. Diwakar
Proprietor
M.No. 216333

Place : Coimbatore
Date : 05.09.2022

Annexure-B to the Independent Auditors' Report

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' of the Independent Auditors' Report to the members of the company on the Financial Statements for the year ended on 31st March 2022)

Report on the Internal Financial Controls under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

I have audited the internal financial controls over financial reporting of GNANAMBIKAI MILLS LIMITED ("the Company"), as of 31st March 2022 in conjunction with my audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The board of directors of the Company is responsible for establishing and maintaining internal financial controls 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 ('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, 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.

Auditor's Responsibility

My responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on my audit. I conducted my audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that I 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.

My audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. My 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 & evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the Auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion on the Company's internal financial control 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 occurrence 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 record 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 the receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of company.
3. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over financial reporting

Because of the inherent limitations of Internal financial control 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 control 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.

Opinion

In my opinion and according to the information and explanations given to me the Company has, in all material respects, an adequate internal financial controls system over financial reporting were operating effectively as at 31.03.2022, 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 control over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place : Coimbatore
Date : 05.09.2022

For Diwakar & Associates
Firm Reg No. 015661S
Chartered Accountant

P.K. Diwakar
Proprietor
M.No. 216333

BALANCE SHEET FOR THE YEAR ENDED 31.03.2022

Particulars	Note No	As on 31.03.2022	As on 31.03.2021
		Rs. In Hundreds	Rs. In Hundreds
I. EQUITY AND LIABILITIES			
(1) SHAREHOLDERS FUNDS:			
(a) Share Capital	1	53980	53980
(b) Reserve & Surplus	2	40662	23759
(c) Money received against share warrants		-	-
(2) SHARE APPLICATION MONEY PENDING ALLOTMENT		-	-
(3) NON-CURRENT LIABILITIES			
(a) Long-Term Borrowings	3	694765	703263
(b) Deferred Tax Liabilities (Net)	-	-	-
(c) Other Long Term Liabilities	4	101762	101262
(d) Long Term Provisions		-	-
(4) CURRENT LIABILITIES			
(a) Short-Term Borrowings	5	72888	75250
(b) Trade Payables			
- Dues to Micro and Small Enterprises			
- Dues to Others	6	4144	4144
(c) Other Current Liabilities	7	68386	78497
(d) Short-Term Provisions	8	8237	8907
TOTAL EQUITY & LIABILITIES		1044824	1049062
II. ASSETS			
(1) NON-CURRENT ASSETS			
(a) Property, Plant & Equipment & Intangible Assets	9		
(i) Property Plant & Equipments		777909	798442
(ii) Intangible Assets		-	-
(iii) Capital Work in Progress		-	-
(iv) Intangible assets under development		-	-
(b) Non-Current Investments	10	201	103
(c) Deferred Tax Asset (Net)	11	48215	46889
(d) Long Term Loans and Advances	12	6920	4488
(e) Other Non-Current Assets	13	9362	9285
(2) CURRENT ASSETS			
(a) Current Investments		-	-
(b) Inventories		-	-
(c) Trade Receivables	14	110512	122034
(d) Cash and Bank Balances	15	19892	2965
(e) Short-Term Loans and Advances	16	38498	45792
(f) Other Current Assets	17	33315	19064
TOTAL ASSET		1044824	1049062

Notes on Financial Statements 1 to 25
For and on behalf of the Board

V.S.Chinnaswamy
Chairman
(DIN: 01745060)

Senthil Chinnasamy
Managing Director
(DIN: 00020229)

V.S.Kulandaivel
Director
(DIN: 01086943)

For Diwakar & Associates
Firm Reg No. 015661S
Chartered Accountant

Place : Coimbatore
Date : 05.09.2022

P.K. Diwakar
Proprietor
M.No. 216333

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2022

Sl. No.	Particulars	Note No	As on 31.03.2022	As on 31.03.2021
			Rs. In Hundreds	Rs. In Hundreds
I	Revenue from Operations	18	237952	185574
II	Other Income	19	185206	174711
III	Total Revenue (I +II)		423158	360285
IV	Expenses:			
	Cost of Materials Consumed			
	Purchase of Stock-in-Trade	20	235154	180142
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade			
	Employee Benefit Expense	21	56446	52386
	Financial Costs	22	37299	31849
	Depreciation and Amortization Expense	23	23852	18575
	Other Expenses	24	54897	53015
	Total Expenses (IV)		407648	335966
V	Profit before exceptional and extraordinary items and tax	(III-IV)	15510	24319
VI	Exceptional Items			
	Profit on Sale of Assets		67	-
	Profit on Sale of Investment in Shares			
	Transitional Depreciation			
VII	Profit before Extraordinary Items and Tax (V - VI)		15577	24319
VIII	Extraordinary Items			
IX	Profit Before Tax (VII - VIII)		15577	24319
X	Tax Expense:			
	(1) Current Tax		2432	2156
	Less: MAT Credit		2432	2156
			-	-
	(2) Deferred Tax		(1326)	(1433)
	(3) Wealth Tax		-	-
	(4) Income Tax - Earlier Year		-	(633)
			(1326)	(2066)
XI	Profit(Loss) from the period from continuing operations	(IX-X)	16903	26386
XII	I) Profit/(Loss) from discontinuing operations		-	-
	II) Gain/(Loss) on disposal of assets attributable to the Discontinuing Operations		-	-
XIII	Tax expense of discontinuing operations		-	-
XIV	Profit/(Loss) from Discontinuing operations	(XII-XIII)	-	-
XV	Profit/(Loss) for the period (XI + XIV)		16903	26386
XVI	Earning per equity share:			
	(1) Basic			
	Computed on the basis of loss from continuing Operations		3.13	4.89
	Computed on the basis of total loss for the year		3.13	4.89
	(2) Diluted			
	Computed on the basis of loss from continuing Operations		3.13	4.89
	Computed on the basis of total loss for the year		3.13	4.89

Notes on Financial Statements 1 to 25

For and on behalf of the Board

V.S.Chinnaswamy
Chairman
(DIN: 01745060)Senthil Chinnasamy
Managing Director
(DIN: 00020229)V.S.Kulandaivel
Director
(DIN: 01086943)For Diwakar & Associates
Firm Reg No. 015661S
Chartered AccountantPlace : Coimbatore
Date : 05.09.2022P.K. Diwakar
Proprietor
M.No. 216333

NOTES ANNEXED TO THE BALANCE SHEET

	As on 31.03.2022	As on 31.03.2021
	Rs. In Hundreds	Rs. In Hundreds
Note 1 : SHARE CAPITAL		
AUTORISED CAPITAL		
2000 12% (Less Tax) Cumulative Preference Shares of Rs.100/- each	2000	2000
970000 Equity Shares of Rs. 10/- each	97000	97000
	99000	99000
ISSUED CAPITAL		
565480 Equity Shares of Rs.10/- each	56548	56548
SUBSCRIBED AND PAID UP CAPITAL		
539800 Equity Shares of Rs.10/-each	53980	53980
a) Reconciliation in number of shares		
Opening	539800	539800
Issued during the year	-	-
	539800	539800
Brought Back during the year	-	-
Closing	539800	539800
b) Each equity shareholder is entitled to one vote per share. In the event of liquidation of the company the holder of equity share will be entitled to receive remaining assets of the company after settlement of all preferential amounts. The dividend proposed by the Board of Directors if any, is subject to the approval of shareholders in the Annual General Meeting.		
c) There are Nil number of shares (Previous Year Nil) in respect of each class in the company held by its holding company or its ultimate holding company including shares held by or by subsidiary or associates of the holding company or the ultimate company in aggregate.		
d) Shares in the company held by each shareholder holding more than 5% shares		

Name of The Shareholder	No. of Shares Held	Percentage (%)	No. of Shares Held	Percentage (%)
V.S.Chinnaswamy	60230	11.16%	60230	11.16%
Ramkumar Giri	324700	60.15%	324700	60.15%

e) There are Nil number of shares (Previous Year Nil) reserved for issue under option and contracts/commitment for the sale of shares/disinvestment including the terms and amounts.

Disclosures of Shareholding of Promoters - Equity Shares held by the Promoters:

Promoter Name	Particulars		No. of Shares		% Change during the year	
	Shares held by the Promoters		As on March 31, 2022	As on March 31, 2021		
	No. of Shares	% of Total shares				
V.S. Chinnaswamy	60,230	11.16%	60,230	11.16%	0.00%	
V.S.Kulandaivel	500	0.09%	500	0.09%	0.00%	
Banumathy Chinnaswamy	1,950	0.36%	1,950	0.36%	0.00%	
Ramkumar Giri	324,700	60.15%	324,700	60.15%	0.00%	
Saranya Ramkumar	750	0.14%	750	0.14%	0.00%	
Akhila Senthil	10,960	2.03%	10,960	2.03%	0.00%	
Shivani Senthil	5,440	1.01%	5,440	1.01%	0.00%	
Senthil Chinnasamy	7,525	1.39%	7,525	1.39%	0.00%	
M.Suresh	23,965	4.44%	23,965	4.44%	0.00%	
D.Ashok Kumar	20,820	3.86%	20,820	3.86%	0.00%	
J.C.Krishnakumar	25,755	4.77%	25,755	4.77%	0.00%	
Purni Krishnakumar	22,565	4.18%	22,565	4.18%	0.00%	
Total	505,160	93.58%	505,160	93.58%	0.00%	

f) For the period of five years immediately preceding the date as at which the balance sheet is prepared

Particulars	No. of Shares	No. of Shares
Aggregate number and class of shares allotted as fully paidup pursuant to contract(s) without payment being received in cash	Nil	Nil
Aggregate number and class of shares allotted as fully paidup by way of bonus shares	Nil	Nil
Aggregate number and class of shares bought back	Nil	Nil
There are no securities (Previous Year No) convertible into Equity/Preferential Shares.		
There are no calls unpaid (Previous Year No) including calls unpaid by Directors and officers as on balance sheet date.		

Note 2 : RESERVES AND SURPLUS

Revaluation Reserve

Opening Balance	409486	409486
Add: Additions during the year	-	-
	409486	409486
Less: Transfer to Profit & Loss account due to part sale of revalued asset #	-	-
Sub - Total (A)	<u>409486</u>	<u>409486</u>

Surplus (Profit & Loss Account)

Opening Balance	(385727)	(412113)
Add: Prior year Income tax provision written back	-	-
Add: Profit/(Loss) for the period	16903	26386
Less:Dividend Paid	-	-
Less:Proposed Preference Dividend	-	-
Less:Dividend Distribution Tax paid	-	-
Add: Excess Prov. of the previous year written Back	-	-
Add: Transfer from Revaluation Reserve	-	-
	(368824)	(385727)
Less:Transfer	-	-
Sub - Total (B)	<u>(368824)</u>	<u>(385727)</u>
TOTAL (A) + (B)	<u>40662</u>	<u>23759</u>

There is no reserve specifically represented by earmarked investments which can be termed as fund.

Note 3 : LONG TERM BORROWINGS

Secured

Term Loan from bank	138608	136905
The above Term Loan is secured by Industrial Land at Thiruvalluvar Street, SF No.325/2C of Vellakinar Village, Coimbatore Corpn Tk & Dist to the extent of 1.54 acres and by hypothecation of all current assets and movable fixed assets excluding vehicles specifically hypothecated.		
HP loans from Banks/ Financial institutions	17723	27924
The above HP loan is secured by way of hypothecation of the respective cars		

For the Year 31.03.2022

Particulars	No. of Instalments due	Maturity	Instalment due	Rate of Interest
ICICI Bank Ltd	70 months	10.01.2028	287289	7.75%
Kotak Mahindra Prime Ltd Loan II	30 months	05.09.2024	107872	11.75%

For the year 31.03.2021

Particulars	No. of Instalments due	Maturity	Instalment due	Rate of Interest
Equitas Small Finance Bank Ltd - Loan I	60 months	10.03.2026	335735	10.25%
Equitas Small Finance Bank Ltd - Loan II	49 months	10.04.2025	16648	10.25%
Kotak Mahindra Prime Ltd Loan II	42 months	05.09.2024	107872	11.75%
Kotak Mahindra Prime Ltd Loan I	5 months	01.08.2021	52565	9.5%

Unsecured

Deposit (Inter Corporate Borrowings)*		41000	41000
* The above inter-corporate loan is obtained by the management which is not repayable in the near future and the management is yet to take a decision about the period of maturity & no of installments to be paid. The above loan carries 6% rate of interest.			
Deposits From Directors		459934	459934
\$ The above deposits are obtained by the management which is not repayable in the near future and the management is yet to take a decision about the period of maturity & no of installments to be paid. Out of the above deposits, Rs. 1.36 crore is bearing an interest rate of 4% p.a. and the rest are interest free.			
Loan from directors		37500	37500
\$ The above Unsecured loan is obtained by the management which is for the purpose of renovation of building. The above loan is carrying interest @ of 9% with effect from 01.04.2016.			
		694765	703263

Note 4 : OTHER LONG TERM LIABILITIES

Creditors for Expenses		13432	13432
Rent Advance		88330	87830
		101762	101262

Note 5 : SHORT-TERM BORROWINGS

Secured			
Bank Overdraft		39921	36514
The above overdraft is secured by Land at Thiruvalluvar Street, SF No.325/2C of Vellakinar Village, Coimbatore Corpn Tk & Dist to the extent of 1.54 acres and by hypothecation of all current assets and movable fixed assets excluding vehicles specifically hypothecated.			
Current maturities of Long-Term Debt			
- Term Loan from Banks		22766	27093
Secured			
- HP Loan from Banks/Financial Institutions		10201	11643
Secured			
		72888	75250

- a) The company used the Over Draft Loan for its Working capital Requirements
- b) The company has not submitted the quarterly returns /statements of current assets with the bank as the loans are secured by the aforementioned immovable properties of the company.
- c) The company has not been declared as a wilful defaulter by any bank or financial institution or other lender.

Note 6 : TRADE PAYABLES

Creditors for Raw Materials			
- Dues to Micro and Small Enterprises			
- Dues to Others			
Creditors for Consumables			
- Dues to Micro and Small Enterprises		1962	1962
- Dues to Others			
Creditors for Contractors			
- Dues to Micro and Small Enterprises		2182	2182
- Dues to Others			
		4144	4144

Trade Payable ageing schedule: (Including Creditors for expenses in Note 6)
As on 31 March 2022:

Rs. In Hundreds

Particulars	Outstanding for following period from due date of payment						Total
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-	-	-
(ii) Others	-	-	-	-	-	4,144	4,144
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues -Others	-	-	-	-	-	-	-
Total	-	-	-	-	-	4,144	4,144

As on 31 March 2021:

Particulars	Outstanding for following period from due date of payment						Total
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-	-	-
(ii) Others	-	-	-	-	-	4,144	4,144
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues -Others	-	-	-	-	-	-	-
Total	-	-	-	-	-	4,144	4,144

The Management has initiated the process of identifying enterprises which have provided goods and services to the company and which qualify under the definition of Micro and Small Enterprises, as defined under Micro, Small and Medium Enterprises development act 2006. Accordingly, the disclosure in respect of the amount payable to such enterprises as at 31.03.2022 has been made in the financial statement based on information received and available with the company. Further in view of the management, the impact of Interest if any that may be payable in accordance with the provisions of the Act is not expected to be material. The company has not received any claim for interest from supplier under the said Act.

The Principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	Nil	Nil
The amount of interest paid by the company along with the amount of the payments made to the supplier beyond the appointed day during the period	Nil	Nil
The amount of interest due and payable for the period of delay in making payment (Which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.	Nil	Nil
The amount of interest accrued and remaing unpaid at the end of the period	Nil	Nil
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise.	Nil	Nil

Note 7 : OTHER CURRENT LIABILITIES

Interest Accrued but not due on Borrowings	740	957
Interest Accrued and due on Borrowings	14659	24645
Interest Accrued and due on Unsecured loan	6159	3122
Interest Accrued and due on deposits (w.e.f.01.04.2019 @ 4% as per BR 13.04.2019)	9324	7428
Liability for Taxes	6906	6590
Creditors for Expenses	10064	12042
Outstanding Expenses	20534	23712
Advance from Customers	-	-
	68386	78497

Note 8 : SHORT-TERM PROVISIONS

Provision For Employees Benefit		
Provision for Gratuity	13525	13221
Less: Funded - Plan asset	7755	6470
- Gratuity Payable	5770	6751
Others		
Provision for DDT		
Provision for Dividend		
Provision for Income Tax	2432	2156
Provision for Expenses	35	-
	8237	8907

NOTE ANNEXED TO THE BALANCE SHEET
Note 9 : PROPERTY PLANT & EQUIPMENT

(Amount in Hundreds)

Property Plant & Equipment	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost As on 01.04.2021	Additions	Transfer to Asset held for sale	As on 31.03.2022	Up to 01.04.2021	Withdrawn	Transfer to Asset held for sale	Depn. For the Year	Up to 31.03.2022	As on 31.03.2022
Land	411581	-	-	411581	-	-	-	-	-	411581
Building	483240	-	-	483240	162670	-	-	12185	174855	308385
Furniture &										320570
Fittings	1830	-	-	1830	1825	-	-	3	1828	2
Vehicles	93473	1208	700	93981	33349	699	-	10196	42847	51134
Office Equipments	7187	1712	-	8900	4574	-	-	555	5129	3771
Electrical Fittings	12032	-	-	12032	9036	-	-	387	9422	2609
Computer	13818	400	0	14219	13267	-	-	526	13793	426
INTANGIBLE										552
Sub Total (A)	1023162	3321	700	-	1025783	224720	699	-	23852	247874
Capital Work in Progress										777909
Building - WIP	1	-								
Sub Total (B)	-	-	-	-	-	-	-	-	-	-
TOTAL (A) + (B)	1023162	3321	700	-	1025783	224720	699	-	23852	247874
PREVIOUS YEAR	976347	47482	-	667	1023162	206813	667	-	18575	224720
										798442
										798442
										769535

Note: a) The Property, Plant & Equipment & Intangible assets have not been revalued during the year
b) All the immovable properties listed above are held in the name of the Company - (Refer Note No : 28)

Relevant Line Item in The Balance Sheet	Description	Gross Amount In Lakhs	Title Deed in Name of	Whether Title Deed Owner is Promoter, Director, or Relative	Property Held Since which Date	Reason for Not Being Held in the Name of the co.,
NIL						

CWIP / IPP / IAD	Capital-Work-in Progress completion schedule (If completion is overdue or has exceeded its cost compared to its original plan)				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in Progress	-	-	-	-	Projects in Progress
Projects temporarily suspended	-	-	-	-	Projects temporarily suspended
Total	-	-	-	-	Total
					TOTAL

	Amount As on 31.03.2022 Rs. in Hundreds	Amount As on 31.03.2021 Rs. in Hundreds
Note 10 : NON-CURRENT INVESTMENTS		
Trade Investments	Nil	Nil
Other Investments		
a) Investments in Subsidiary, associates, joint venture or controlled special purpose entities		
I) Investments in Equity Instruments	Nil	Nil
b) Investments in Others		
I) Investments in Equity Instruments		
Shanthi Gears Ltd., -7484 shares @Rs.1/- each		
Cost	19	19
Less: Provision for Fall in Value of Investments	- 19	- 19
Essar Steel India Ltd.,-195 shares @Rs.10/- each		
Cost	242	242
Less: Provision for Fall in Value of Investments	222	222
Oswal Agro Mills Ltd.,-100 shares @Rs.10/- each		
Cost	122	122
Less: Provision for Fall in Value of Investments	95	112
Lloyds Finance Ltd.,-150 shares @Rs.10/- each		
Cost	65	65
Less: Provision for Fall in Value of Investments	64	64
PatSpin India Ltd., - 100 Shares @Rs.10/- each		
Cost	10	10
Less: Provision for Fall in Value of Investments	0.02	5
Nahar Industrial Enterprises Limited – 100 shares @Rs.10/- each		
Cost	120	120
Less: Provision for Fall in Value of Investments	- 120	76
Asian Consolidated Ltd.,-500 shares @Rs.10/- each		
Cost	160	160
Less: Provision for Fall in Value of Investments	160	160
Uttam Value Steels Limited – 1000 shares @ Rs.1/- each		
Cost	10	10
Less: Provision for Fall in Value of Investments	9	9
Western Paques Ltd.,- 400 shares @Rs.10/- each		
Cost	260	260
Less: Provision for Fall in Value of Investments	260	- -
Steller Exports Ltd., - 1000 shares @Rs.10/- each		
Cost	100	100
Less: Provision for Fall in Value of Investments	99	99
Lloyds Steels Industries Ltd., - 136 shares @Rs.1/- each		
Cost	1.36	1.36
Less: Provision for Fall in Value of Investments	- 1	- 1
Aggregate amount of quoted Investment	201	103
Market Value of quoted investments	1109	1109
Aggregate amount of unquoted Investment	13727	9604
Aggregate Provision for diminution in value of Investments	908	1006
Note 11 : DEFERRED TAX ASSET		
Opening Balance	46889	45,456
Adjustment during the year	1326	1,433
	48215	46,889

GNANAMBIKAI MILLS LIMITED

Amount	Amount
As on	As on
31.03.2022	31.03.2021
Rs. in Hundreds	Rs. in Hundreds

Note 12 : LONG TERM LOANS AND ADVANCES

i)	Capital Advances		
	Unsecured, considered good;		
	Advances Towards Capital Expenditure #	-	-
	Unsecured, considered good;		
iii)	Loans & Advances to Related Parties *		
	Unsecured, considered good;		
iv)	Other Loans & Advances		
	Advances to Suppliers #		
	Advances to Staff & Workers		
	MAT Credit	6920	4488
	Prepaid Expenses		
	Doubtful		
v)	Other Loans & Advances		
	Advances to Suppliers	6920	4488

There are no dues by directors or other officers of the company or any of them either severally or jointly with any other persons or amounts due by a firms or private companies respectively in which any director is a partner or a director or a member.

Note 13 : OTHER NON-CURRENT ASSETS

Long Term Trade Receivables			
a)	Secured, Considered Good :		
b)	Unsecured, Considered Good :		
	Trade Receivables #	2408	2408
c)	Doubtful		
	Security Deposit		
	Secured, considered good;		
	Electricity Deposit	967	949
	Deposit – Telex	100	100
	Demat Account -Deposit	-	-
	Deposit - Water Connection	647	647
	Deposit with NSDL & Demat	347	288
	Telephone Deposits	232	232
	Indane Gas Deposits	15	15
	Unsecured, considered good;		
	Security Deposits	4446	4446
	Deposits- Fuel – Petrol Bunk	200	200
		9362	9285

There are no dues by directors or other officers of the company or any of them either severally or jointly with any other persons or amounts due by a firms or private companies respectively in which any director is a partner or a director or a member.

	Amount As on 31.03.2022	Amount As on 31.03.2021
	Rs. in Hundreds	Rs. in Hundreds
Note 14 : TRADE RECEIVABLES		
Outstanding for more than six months		
a) Secured, Considered Good :		
Others		
Outstanding from Related Concerns		
b) Unsecured, Considered Good :		
Others	81813	81810
Outstanding from Related Concerns		
c) Doubtful		
Others		
Outstanding from Related Concerns		
Others *		
a) Secured, Considered Good :		
Others		
Outstanding from Related Concerns		
b) Unsecured, Considered Good :		
Others	28699	40224
Outstanding from Related Concerns		
c) Doubtful		
Others		
Outstanding from Related Concerns	<u>110512</u>	<u>122034</u>

* There are no dues by directors or other officers of the company or any of them either severally or jointly with any other persons or amounts due by a firms or private companies respectively in which any director is a partner or a director or a member.

Trade Receivable ageing schedule:
As on 31 March 2022:

Rs. In Hundreds

Particulars	Outstanding for following period from due date of payment							Total
	Unbilled	Not Due	Less than 6 months	6 months 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - Considered good	-	-	-	28,844	-	286	-	29,130
(ii) Undisputed Trade Receivables - Considered Doubtful	-	-	-	-	-	-	-	-
(i) Disputed Trade Receivables - Considered good	-	-	-	-	-	-	81,524	81,524
(ii) Disputed Trade Receivables Considered Doubtful	-	-	-	-	-	-	-	-
Total	-	-	-	28,844	-	286	81,524	1,10,654

As on 31 March 2021:

Rs. In Hundreds

Particulars	Outstanding for following period from due date of payment							Total
	Unbilled	Not Due	Less than 6 months	6 months 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - Considered good	-	-	-	40,224	286	-	-	40,510
(ii) Undisputed Trade Receivables - Considered Doubtful	-	-	-	-	-	-	-	-
(i) Disputed Trade Receivables - Considered good	-	-	-	-	-	-	81,524	81,524
(ii) Disputed Trade Receivables Considered Doubtful	-	-	-	-	-	-	-	-
Total	-	-	-	40,224	286	-	81,524	1,22,034

GNANAMBIKAI MILLS LIMITED

Amount	Amount
As on	As on
31.03.2022	31.03.2021
Rs. in Hundreds	Rs. in Hundreds

Note 15 : CASH AND BANK BALANCES

Cash & Cash Equivalents		
Cheques, Drafts on Hand	-	-
Cash on Hand	2193	2059
Others(Stamps)		
Other Bank Balances		
Balance with Banks	7203	591
Banks Deposits < 12 Months	10181	-
Banks Deposits > 12 Months	315	315
	19892	2965

Note 16 : SHORT TERM LOANS & ADVANCES

(Unsecured, Considered good, Recoverable in Cash or kind)

Others		
(Advance Recoverable in cash or in kind or for value to be considered good)		
Advances to Suppliers @	2819	70
Advances to Staff & Workers	6225	5348
Deposits with Govt/Other Authorities	5	5
Other Advances	6483	6407
Advance Income Tax/TDS	21653	32627
Prepaid Expenses	1063	1135
Perpaid Expenses (Group Gratuity Fund Advance)	250	200
	38498	45792

Note 17 : OTHER CURRENT ASSETS

OTHER CURRENT ASSETS		
Unsecured, considered good;		
Interest Accrued on Investments	299	269
Receivables	33016	18795
	33315	19064

Note 18 : REVENUE FROM OPERATIONS

Sale of Products	237952	185574
Other Operating Income	-	-
	237952	185574

Note 19 : OTHER INCOME

Interest Receipts	1795	1383
Dividend	196	254
Other Non-operating Income	147	498
Rental income	183069	172577
	185207	174712

GNANAMBIKAI MILLS LIMITED

Amount	Amount
As on	As on
31.03.2022	31.03.2021
Rs. in Hundreds	Rs. in Hundreds

Note 20 : PURCHASE OF STOCK IN TRADE

Cotton Yarn- Purchase	Opening stock	-	-
Add: Purchases		235154	180142
		235154	180142
Closing stock		-	-
		235154	180142

Note 21 : EMPLOYEE BENEFIT EXPENSES

Salaries, Wages and bonus	33006	28680
Contribution To Provident & Other Funds	1844	2408
Labour welfare expenses	1922	1628
Managing Director's Remuneration	19674	19670
	56446	52386

Note 22 : FINANCIAL COST

Interest on Bank Loans /Overdraft from Banks	16670	19691
Interest on Vehicle Loan	3930	545
Interest on Deposits	11275	11275
Interest Others	13	85
Bank Charges	5361	253
Loan Processing Charge	50	-
	37299	31849

Note 23 : DEPRECIATION AND AMORTIZATION EXPENSES

Depreciation	23852	18575
Preliminary Expenses W/O	-	-
	23852	18575

Note 24 : OTHER EXPENSES

EB CHARGES	2697	2449
RENT	12662	12356
REPAIRS TO BUILDING	2924	2865
INSURANCE	1777	1104
RATES AND TAXES	2009	2180
AUDITORS REMUNERATION	250	250
BROKERAGE AND COMMISSION	2086	3562
MISCELLANEOUS EXPENDITURE	30492	28249
	54897	53015

Note. 25**Significant Accounting Policies and Notes to accounts:****a. Basis of preparation of Financial Statements :**

The accompanying financial statements are prepared on the historical cost convention, on a going concern basis, with revenue recognized and expenses accounted on accrual concept, and in accordance with the companies accounting standard rules 2006 as referred to in section 133 of the Companies Act, 2013 and in accordance with Indian Generally Accepted Accounting Principles and Accounting Standard issued by the Institute of Chartered Accountants of India, except the land which was revalued in the year 2003-2004.

b. Property, Plant and Equipment and Intangible Assets:

As approved by the Board of Directors, the Company decided to revalue its Land during the course of period so that the Shareholders would have a clear indication of the current value of their company. The Land situated at Vellakinar Panchayat was revalued on 31.3.2004 on the basis of valuation report submitted by the valuer including land donated by Late V. C. Subbiah Gounder promoter of the company for the use of company on 11.03.1952. This revaluation has resulted in a surplus of Rs.597.36/- Lakhs out of which Rs.187.87/- Lakhs is withdrawn towards sale of portion of land and transferred to Profit & Loss account. The Balance Rs.409.49/- Lakhs is retained in the Revaluation Reserve, which it should be noted, is not available for distribution through the Profit and Loss Account.

Additions to the Property, Plant and Equipment and Intangible Assets acquired or constructed during the year, along with the borrowing cost and other related expenses up to date of completion of project incurred towards acquiring property, plant and equipment are capitalized. The company has an internal system to assess the impairment of assets. Appropriate disclosure on material impairment of losses and their treatment in profit and loss account, classes of assets and nature of impairment will be made in the year in which the impairment is recognized.

All other assets are stated at historical cost less accumulated depreciation.

The company has carried out an exercise to ascertain the impairment, if any, in the carrying values of its property, plant and equipment and intangible assets. The exercise has not revealed any impairment of assets during the year 2021-22.

c. Depreciation :

In respect of all assets acquired and put to use, the company adopts Straight Line Method as per the useful life prescribed in Schedule II of the Companies Act, 2013. Depreciation on asset addition is provided on pro-rata basis.

d. Inventories :

Items of inventory are valued on the basis given below.

- Cotton - Lower of the cost and Net Realisable Value.
- Yarn - Lower of the cost and Net Realisable Value.

e. Borrowing Cost :

Borrowing Costs attributable to acquisition and construction of qualifying assets are capitalised as a part of the cost of such asset upto the date when such asset is ready for its intended use. Other borrowing costs are charged to Profit & Loss Account.

f. Investments :

All Investments are long - term investments and are shown at cost inclusive of expenses incidental to acquisition. Permanent diminution in value, if any, will be written off as and when there is permanent reduction in value.

g. Revenue Recognition :

Sales are recognised when the significant risks and rewards of ownership are transferred to the buyer which generally coincides with the despatch from company's premises. Net sales includes sale of products.

h. Employees Benefits :**a) Short Term :**

Short term employee benefits comprising of salary, bonus and other allowances are recognized as expenses as per the Company's scheme and charged to the profit and loss account.

b) Post Retirement :**(i) Defined Contribution Plan :**

Post Retirement benefits comprise of Provident Funds and Employees State Insurance which are accounted as follows :

Provident Fund

This is a defined plan and contributions made to the fund in accordance with applicable rules/statutes are charged to revenue. The company has no further obligations for future provident fund benefits other than contributions made to the fund.

Employee's State Insurance

Company's Contribution to Employees State Insurance Corporation of India is a defined contribution plan and such contributions paid or payable during the year are charged to the profit and loss account.

(ii) Defined Benefit Plan :

Company's Liability towards Gratuity are determined using the projected unit credit method which considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to built up the final obligation. The past services are recognized on a straight line basis over the average period until the amended benefit becomes vested. Actuarial gain or losses are recognized immediately in the statement of profit and loss account as income and expenses. Obligation is measured at the year end as present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the balance sheet date on Government bonds where the currency and terms of the government bonds are consistent with the currency and estimated terms of the defined benefit obligations.

The Company has taken a group gratuity Policy for future payment of gratuity with the Life Insurance Corporation of India (LIC). Payment of contribution as per the Demand made by LIC is charged to revenue.

Disclosure in respect of Accounting standard 15 "Employee Benefits" notified in the Companies (Accounting Standards) Rule 2006.

	Particulars	Gratuity 2021-2022	Gratuity 2020-2021
A	Expense recognized during the year		
	1 Current Service Cost	988	881
	2 Interest Cost	886	794
	3 Expected return on plan assets	(490)	(400)
	4 Actuarial (Gain)/Loss during the year	(1,209)	(586)
	5 Past Service cost -vested benefits	-	-
	6 Expenses recognized in profit & loss Account	174	688
B	Actual return on plan assets		
	1 Expected return on plan assets	490	400
	2 Actuarial Gain/(loss) on plan assets	(13)	11
	3 Actual return on plan assets	477	412
C	Net Asset/(Liability) recognized in the Balance Sheet		
	1 Present Value of the obligation at the year end	13,525	13,221
	2 Fair Value of plan assets at the year end	7,755	6,470
	3 Funded status - Surplus/(Deficit)	(5,770)	(6,751)
	4 Unrecognized past service cost	-	-
	5 Net Asset/(Liability) recognized in the Balance Sheet	(5,770)	(6,751)
D	Change in Present Value of the Obligation during the year		
	1 Present Value of the obligation as at the beginning of the year	13,221	12,121
	2 Current Service Cost	988	881
	3 Interest Cost	886	794
	4 Past Service Cost(Vested Benefits)	-	-
	5 Benefits Paid	(348)	-
	6 Actuarial (Gain)/loss on obligation	(1,222)	(575)
	7 Present Value of obligation at the year end	13,525	13,221
E	Change in Assets during the year		
	1 Fair Value of plan assets at the beginning of the year	6,470	5,300
	2 Expected return on plan assets	490	400
	3 Contributions made	1,156	758
	4 Benefits Paid	(348)	-
	5 Actuarial Gain/(loss) on plan assets	(13)	11
	6 Fair value of plan assets at the year end	7,755	6,470
F	Actuarial Assumptions		
	1 Discount rate	-	-
	2 Salary escalation	-	-
	3 Expected rate of return on plan assets	-	-

i. Foreign Currency Transactions :

Foreign Currency Transactions are recorded at exchange rates prevailing on the date of such transaction. Any difference arising between amounts recorded and amount paid have been charged/credited to Profit & Loss Account.

j. Contingent Liabilities :

31.03.2022 31.03.2021

Contingent liabilities are generally not provided for and are disclosed by way of notes to the accounts.

Nil Nil

k. Cash flow statements :

Cash flows are reported using indirect method, whereby net profits before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or part of future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the company are segregated.

l. Income Tax Expense :**Current Tax**

Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act,1961 and based on the expected outcome of assessments/appeals.

Tax credit is recognized in respect of Minimum Alternative Tax (MAT) as per the provisions of section 115JB of the Income tax Act,1961 based on convincing evidence that the company will pay normal income tax within the statutory time frame and is reviewed at each balance sheet date.

Deferred Tax

Deferred tax charges or credit reflect the effects of timing differences between accounting income and taxable income for the period. The deferred tax charged or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future.

m. Earning per Shares :

The basic earning per Share ("EPS") is computed by dividing the net profit after tax for the period by the weighted average number of equity shares outstanding during the year. Details of basic and diluted earning per share of face value of Rs.10/- each is calculated as under

Particulars	Amount (Rs. In Hundreds)	
	31.03.2022	31.03.2021
Net Profit/(Loss) after tax as disclosed in the P&L account	16,903	26,386
Less: Preference Dividend paid	-	-
Net Profit/(Loss) after preference Dividend	16,903	26,386
Weighted Average number of Equity Shares	5,39,800	5,39,800
Basic and Diluted Earnings Per Shares	3.13	4.89

n. GST Inputs

GST Input credit against Capital Goods are adjusted against relevant asset and net amount capitalised. Input credit against remaining goods are accounted for by adjustments against cost of the relevant goods unadjusted GST Credit is carried over as advance.

o. Accounting Standards

1. 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.
2. Estimated amount of contracts to be executed on capital account and not provided for is Rs. NIL (Previous Year Rs. NIL)
3. The suit filed for recovery of debt amounting to Rs.2,40,830/- due from M/s. SSM Mills Limited are decreed in favour of the company in Honourable Court of Additional District Sessions Judge of Coimbatore. The Court directing the defendant (SSM Mills Limited) to pay a sum of Rs. 4,08,929/- including interest, as per court order. The Company has filed a petition to execute the decree before Honourable Sub-Ordinate Judge court in Thiruchengodu.
4. The company has accepted Inter-corporate deposit from the following companies in which the directors are interested.

		Amount (Rs. In Hundreds)
	31.03.2022	31.03.2021
M/s. GNM Textiles Private Ltd.	<u>Rs. 41,000</u>	<u>Rs. 41,000</u>
Unsecured loans includes a sum of		
Rs.4,59,93,353/- towards deposits from the		
following shareholder namely.		
A. Fixed Deposits :		
a. Shri. Ramkumar Giri	<u>Rs.53,000</u>	<u>Rs.53,000</u>
B. Cumulative Deposits:		
a. Shri. V.S. Chinnaswamy	<u>Rs. 8,140</u>	<u>Rs. 8,140</u>
C. Fixed Deposits (Interest Free)		
a. Shri V.S.Chinnaswamy	<u>Rs.2,60,000</u>	<u>Rs.2,60,000</u>
D. Fixed Deposit of Rs. 1,36,00,000/- towards		
deposit from the following director with		
interest at the rate of 4% w.e.f. 01.04.2019		
a. Senthil Chinnasamy	<u>Rs.1,36,000</u>	<u>Rs.1,36,000</u>
b. Senthil Chinnasamy - accrued interest	<u>Rs. 9,324</u>	<u>Rs. 7,428</u>
Total	<u>Rs.1,45,324</u>	<u>Rs.1,43,428</u>

	Rs. in Hundreds	Rs. in Hundreds
	31.03.2022	31.03.2021
E. Cumulative Deposits (Interest Free)		
Shri. V.S. Chinnaswamy	Rs.2,794	Rs.2,794
6. Unsecured loan includes a sum of Rs. 37,50,000/- towards loan from the following director with interest at the rate of 9% w.e.f. 01.04.2016		
a. Shri. Senthil Chinnasamy	Rs. 37,500	Rs. 37,500
b. Shri. Senthil Chinnasamy - accrued interest	Rs. 6,159	Rs. 3,122
7. Creditors for expenses includes a sum of Rs. 9,11,448/- payable to the following directors of the company towards salaries:		
	31.03.2022	31.03.2021
a. Shri. V.S. Chinnaswamy - Chairman	Rs. 3,545	Rs. 3,545
b. Shri. V.S. Kulandaivel - Director	Rs.6,855	Rs. 6,885
8. Unsecured loan includes interest accrued and due on inter corporate deposit, an amount of Rs.14,65,891/- (PY Rs.24,64,491/-) due to the following concerns in which Shri.V.S.Chinnaswamy and Shri. Senthil Chinnasamy are interested.		
1. M/s. GNM Textiles Private Limited Rs.14,65,891/- (PY Rs. 24,64,491 /-)		
9. TNVAT Assessment of the company has been completed upto 31st March 2010 and CST Assessment The of the company has been completed upto 31.3.2014. The company does not expect any liability in respect of pending Assessments.		
10. Interest and Finance charges include a sum of Rs.7,90,000/-(PY Rs. 2,46,000/-) paid/credited for fixed deposits/inter corporate deposits accepted from directors and the company in which the directors were interested.		
11. As per information available with the company,there are no dues outstanding including interest as on 31st March 2022 to Small and Micro Enterprises as defined under Micro, Small & Medium Enterprises Development (MSMED) Act 2006.		
12. Debtors/Creditors balances are subject to confirmation and reconciliation if any.		
13. Prior period adjustment, extra ordinary and exceptional items have been disclosed separately.		
14. Depreciation on fixed assets has been charged as prescribed under Part-C Schedule II of the Companies Act, 2013 under Straight Line Method.		
15. The Income Tax assessment of the company have been completed up to assessment year 2020 - 2021.		
16. Figures for the previous year have been regrouped/rearranged wherever necessary.		
	31.03.2022	31.03.2021
17. Auditors Remuneration :		
Audit Fee	2,500	2,500
	<hr/> 2,500	<hr/> 2,500
18. Bills and Cheque Discounted	Nil	Nil
19. Raw-Material Consumed		
Cotton/Waste (Kgs.)	Nil	Nil
Indigenous (Kgs.)	Nil	Nil
Imported (Kgs.)	Nil	Nil

20. Stores and Spares Consumed

Indigenous	Nil	Nil
Imported	Nil	Nil
21. Value of Import on CIF basis	Rs.	Rs.
a) Raw-Materials	Nil	Nil
b) Capital good	Nil	Nil
c) Components and Spare parts (Machinery)	Nil	Nil
22. Expenditure in Foreign Currency – Others	Nil	Nil
23. Amounts remitted during the year in Foreign Currency on Account of dividend	Nil	Nil
24. Earnings in foreign currency on all accounts	Nil	Nil

25. Consequent to Accounting Standard – 18 issued by ICAI on "Related Party Disclosure" following persons will be considered as related persons for the year ended as on 31st March 2022.

01. Alankar Business Corporation (P) Limited	Same Management
02. Madurai Soft (P) Limited	Same Management
03. Alankar Business Services (P) Limited	Same Management
04. Alankar Super Market (P) Limited	Same Management
05. Sakthi Soft Drinks (P) Limited	Same Management
06. Vee.Cee.Yes Industries (P) Limited	Same Management
07. V.C.S.Spinners Private Limited	Same Management
08. Anoor Chandikadevi Textiles Private Limited	Same Management
09. G.N.M.Textiles Private Limited	Same Management
10. Willow Hill Private Limited	Same Management
11. GNM Mechhno Private Limited	Same Management
12. Mr. V.S.Chinnaswamy	Chairman
13. Mr. V.S.Kulandaivel	Director
14. Mr. Senthil Chinnasamy	Managing Director
15. Mr. Ramkumar Giri	Relative to the Director

Related party relationships are as identified by the company

1. List of related parties & relationship

(Rs. in Hundreds)

SI.No	Related Party Transaction	Companies under the Same management		Key Managerial Personnel		Total	
		31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021
1	Fixed Deposit	-	-	-	-	-	-
2	ICD	-	-	-	-	-	-
3	Cumulative Deposits	-	-	-	-	-	-
4	Unsecured Loan received	-	-	-	13440	-	13440
5	Unsecured Loan paid back	-	-	-	13440	-	13440
6	Rent (Expense)	-	-	12662	12360	12662	12360
7	Remuneration & Perquisites	-	-	19674	19670	19674	19670
8	Interest	2460	2460	8815	8815	11275	11275
9	Rent (Income)	1500	1070	-	-	1500	1070
10	Directors Sitting Fees	-	-	150	145	150	145

As on 31.03.2022	Companies under same management	Key Managerial Personnel and their relatives	Total
Amount Payable	55659	524463	580122
Amount Receivable	3006	-	3006
Amount Written off	-	-	-

26. Deferred Tax Liabilities/Assets	31.03.2022		31.03.2021	
	Deferred Tax Assets	Deferred Tax Liabilities	Deferred Tax Assets	Deferred Tax Liabilities
Depreciation difference between				
Book of account and Income tax Act,:.	669.00	-	1,029.17	-
43B Liabilities /Other Expenses :	5683.00	-	6,641.62	-
40(a)(ia) Liabilities :	-	-	-	-
Unabsorbed losses :	41,863.00	-	39,217.72	-
MAT Credit CF for set off	-	-	-	-
	48,215.00	-	46,888.51	-
Net Deferred Tax Assets/(Liabilities) :	48,215.00	-	46,889.00	-
Less: Opening Deferred Tax Asset	46,889.00	-	45,456.00	-
Net Deferred Tax charged to Statement of				
Profit & Loss	1326.00		1,433.00	

27. Guest House Expenses of Rs. 1,15,628/- (P.Y. Rs. 54,487/-) included in Repairs & Maintenance have been paid in accordance with the resolution passed in that connection and the same has been approved and confirmed by the Board of Directors of the Company.

28. The company's title of land bearing SF.No.305 & 324 in which to the extent of 62 cents is under dispute for which the suit are pending before of the Honourable High Court of Chennai.

29. The Company has received Inter Corporate Deposit of Rs.41 Lakhs from M/s. GNM Textiles Private Limited for expansion purpose on 09.09.2005, in which Shri. V.S. Chinnaswamy and Shri. Senthil Chinnasamy are interested.

30. There is no separate reportable segment as per the accounting standard 17(AS-17).

31. The Company has provided minimum bonus to employees in the books. The bonus will be determined at the time of payment.

32. The Company has fulfilled entire obligation through merchant exporter and received Export Obligation Discharge Certificate (EODC) from JDGFT Office, Coimbatore. The request letter for release/cancellation of Bank Guarantee Rs.2.10/ lakhs, forwarded to The Assistant Commissioner, Customs Tuticorin, which was in process and subsequently received during April 2022.
33. The company has received revised assessment order from Urban Land Tax authorities for land owned by the company. Further, the order fixed Rs.68,708/- per year from 1981 onwards (Fasali 1391) which comes Rs.14,49,458/- as a additional liability to the company. During the year 2021-22 adequate provision has been made in the books of the company.
34. A loan was obtained from a director (Mr. Ramkumar Giri) during the year 2001-02 out of which an amount of Rs.53,00,000/- has been pending for repayment and Mr. Ramkumar Giri has ceased to be a director.
35. The Company has received a letter dated 03.12.2014 from Madras Stock Exchange Limited informing that, the company has ceased to be a listed Company and moved on to the Dissemination Board of NSE with effect from 01.12.2014. Further, in lieu of the Company ceased to be a listed company with MSE, the CIN L17111TZ1935PLC000056 has been changed to U17111TZ1953PLC000056. Hence, compliances of Listing Agreement and Secretarial Audit under Section 204 of the Companies Act, 2013, read with Rule 9 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules,2014 and other related Compliances does not arise for the Company.

The company has applied to National Stock Exchange of India Limited to provide exit opportunity to Shareholders and also submitted necessary papers and documents. Subsequently the Company has been removed from Dissemination Board of NSE as per the Communication Circular dated 16.04.2019. Mr.V.S.Chinnaswamy Chairman of the Company, has deposited the money Rs.22 lakhs in an Escrow Account and executed a Bank Guarantee for Rs.40 lakhs in favour of NSE by pledging his fixed deposit on behalf of the Company. Further, the payment was made from Escrow Account to those who have submitted shares and the said shares were transferred to Mr.V.S.Chinnaswamy. The shareholders have submitted 5480 shares upto 31.03.2020 and payment was made through Escrow account for entire shares submitted by the Shareholders on exit offer process.

The Public Announcement Pursuant to Provisions of Clauses (iv), (v), (vi) & (ix) of Annexure-A to SEBI CIRCULAR SEBI/HO/MRD/DSA/CIR/P/2016/110 Dated October 10, 2016 was made on 03/01/2019 and individual letter were also sent to the Shareholders. The said exit offer period of one year from 05/01/2019 to 04/01/2020, has been completed.

After the completion of one year from the end of exit offer, compliance certificate has been obtained from the Merchant Banker. The company has submitted the compliance certificate and other required documents to NSE during the year and NSE has released the bank guarantee vide letter dt. 10.11.2020 and the same were submitted to the Bank and the escrow account has been closed. Now, the company has completely come out of the Dissemination Board.

36. The company has filed a case against M/s Padmanabha Auto Weavers, M/s Sri Vaari Spinning Mills, M/s. S.S.M Mills Private Limited and M/s V.R.Textiles P Ltd amounting to Rs.2,26,600/-, Rs.19,19,337/-, Rs.2,40,830/- and Rs.60,06,431/- respectively towards sale of cotton yarn and cotton , which is pending in the court.
37. The Company has been exploring the possibility of extending the trading of cotton. In addition to that, efforts are being made to improve the business activities, to enter new areas & products and to increase the revenue of the company. The company has let out portion of mill building to M/s.Texmo Industries as per the memorandum amended as per the approval of shareholders on 18th February 2013.
38. The company has received from Mr. Senthil Chinnasamy, Managing Director Rs.37,50,000/- towards unsecured loan for building renovation purpose. The rate of interest at the rate of 9% per annum with effect from 01.04.2016.
39. During the year Fixed deposit held by Mr. Senthil Chinnasamy Rs.1,36,00,000 has been carrying interest at the rate of 4% per annum with effect from 01.04.2019 as per the Board Resolution dated. 13.04.2019.

40. Financial Ratios for the year ended 31.03.2022

	Numerator	Denominator	Current Period	Previous Period	% of Variance*	Remarks
Liquidity Ratio						
Current Ratio (times)	Total Current Assets	Total Current Liabilities	1.32	1.14	-16%	NA
Solvency Ratio						
Debt-Equity Ratio (times) #	Total Long term Debt	Total Equity	8.11	10.01	19%	NA
Debt Service Coverage Ratio (times) #	Earnings for Debt Service	Debt Service (Interest and Principal repayments)	1.51	1.25	-21%	NA

Profitability Ratio						
Net Profit Ratio (%)	Net Profit after Taxes	Revenue from Operations	7%	14%	50%	Due to increase in Finance Cost and depreciation on vehicles
Return on Equity Ratio (%)	Net Profit after Taxes Less Preference Dividend	Total Equity	18%	34%	47%	Increased finance cost due to loan borrowed
Return on Capital employed (%) ##	Profit before taxes and finance cost	Total Capital Employed	2.14%	3.38%	37%	Due to Increase of Shareholder's Fund and Decrease in Profits
Return on Investment (%)	Income generated from Invested funds	Average Invested funds	97.43%	246.99%	61%	Due to Decrease in dividend income
Utilization Ratio**						
Trade Receivables turnover ratio (times)	Revenue from Operations	Average Trade receivables	2.05	1.72	-19%	NA
Inventory turnover ratio (times)	Cost of goods Sold	Average Stock	-	-	0%	NA
Trade payables turnover ratio (times)	Total Purchases	Average Trade Payables	56.75%	42.60%	-33%	Due to increase in the purchase made during the year

41. The Company is not obliged to make CSR expenditure as set out in Section 135 of the Companies Act, 2013.

42. Nationwide lockdown, consequent to spread of COVID-19 pandemic had temporarily disrupted the operations of the company. The business activities during May 2021 was inoperative, which along with the COVID impact globally (before the lockdown in India) impacted the revenues for the year. The impact on the revenue during the year is negligible. Based on the internal and external information up to the date of approval of this financial statements, the company expects to recover the carrying amounts of its assets, investments, trade receivables, and inventories. The Company will continue to monitor the future economic conditions and assess its impact on its financial statements.

43. Based on the internal and external information up to the date of approval of the financial statements, the company expects to recover the carrying amounts of its assets, investments, trade receivables & contract assets. The Company will continue to monitor the future economic conditions and assess its impact on its financial statements.

44. Additions made during FY 20-21 to the Property, Plant & Equipment of the company includes a Motor car amounting to Rs. 45,78,246/-, having its Registration No. DL1CS4666, which is registered in the name of its Managing Director Senthil Chinnasamy (DIN:00020229). The car is recorded in the books of the company as it is purchased wholly for the use of the company. However, for easement of the registration process, it has been registered in the name of the Managing Director.

45. a) There are no transactions with struck off companies under section 248 or 560
 b) No charges or satisfaction is yet to be registered with Registrar of Companies beyond the statutory period.
 c) The Company has complied with the no. of layers prescribed u/s 2(87) read with the applicable Rules
 d) There is no Scheme of Arrangements that has been approved in terms of sections 230 to 237
 e) The company has not advanced/loaned/invested or received funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
 f) There are no transactions that are not recorded in the books of account to be surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
 g) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

V.S.Chinnaswamy
 Chairman
 (DIN: 01745060)

Place : Coimbatore
 Date : 05.09.2022

Senthil Chinnasamy
 Managing Director
 (DIN: 00020229)

V.S.Kulandaivel
 Director
 (DIN: 01086943)

For Diwakar & Associates
 Firm Reg No. 015661S
 Chartered Accountant

P.K. Diwakar
 Proprietor
 M.No. 216333

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31.03.2022

	(Rs.in thousands)	
	As on 31.03.2022	As on 31.03.2021
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/ Loss before Tax from Continuing operations	15577	24319
Net Profit/ Loss before Tax from Discontinuing operations	-	-
Net Profit/ Loss before Tax and extraordinary items	15577	24319
Adjustment for :		
Depreciation on Continuing Operations	23852	18575
Depreciation on Discontinuing Operations	-	-
Interest & Finance charges on Borrowings	37299	31849
Interest & Dividend Income	(1991)	(1637)
Profit on sale of Asset	(67)	(85)
Fall in Value of Investments	(98)	(36)
Loss on sale of Assets	-	-
Operating Profit before working capital changes	74573	72985
Adjustments :		
Trade & Other receivables	11523	(27825)
Inventories	-	-
Loans & Advances	(9466)	(2932)
Current Liabilities	(10281)	6178
Cash generated from Operations	66348	48406
Income Tax - Earlier year	-	633
Cash generated from Operations before extra-ordinary items	66348	49039
Extraordinary Items:		
Net Cash from Operating Activities	66348	49039
B. CASH FLOW FROM INVESTING ACTIVITIES		
Increase or Decrease in Investments	-	-
Sale of Property plant and Equipments and Intangible assets	69	85
Acquisition of Property plant and Equipments and Intangible assets	(3321)	(47482)
Interest Received	1795	1383
Dividend Received	196	254
Net Cash used in Investing activities	(1262)	(45760)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase in Share Capital	-	-
Proceeds from Long Term Borrowings	(8498)	(1464)
Increase/Decrease in Short term borrowings	(2362)	22918
Interest Paid	(37299)	(31849)
Net Cash used in financing activities	(48159)	(10394)
Net increase in cash & cash equivalents	16927	(7115)
Opening cash & cash equivalents	2965	10080
Closing cash & cash equivalents	19892	2965

As per our report of
data annexed

V.S.Chinnaswamy
Chairman
(DIN: 01745060)

Senthil Chinnasamy
Managing Director
(DIN: 00020229)

V.S.Kulandaivel
Director
(DIN: 01086943)

For Diwakar & Associates
Firm Reg No. 015661S
Chartered Accountant

P.K. Diwakar
Proprietor
M.No. 216333

Place: Coimbatore
Date : 05.09.2022

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