



TMS/BSE/20/2020-21

31<sup>st</sup> July, 2020

To,

The Corporate Relations Department  
BSE Limited,  
PJ Towers, 1st Floor,  
Dalal Street,  
Mumbai — 400 001

Dear Sir/Madam,

Ref: Scrip Code: 514484

**Subject :- Submission of Annual Report for the FY 2019-20 under Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

This is to inform you that the 42<sup>nd</sup> Annual general Meeting of the Company will be held on Friday 28th August, 2020 at 10:00 A.M. through video conferencing.

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, we enclose herewith the Annual Report for the year 2019-20 (including Notice of the AGM)

We are to inform that 42<sup>nd</sup> Annual Report (including Notice of the AGM) has been sent, through email to the members who have registered email ids with RTA of the Company i.e. Cameo Corporate Services Limited, Chennai as on cut—off dated 24.07.2020

Kindly update the document in your records.

For THAMBBI MODERN SPINNING MILLS LIMITED

R.JAGADEESAN  
MANAGING DIRECTOR  
DIN: 01153985



# THAMBBI MODERN SPINNING MILLS LIMITED

42<sup>nd</sup>

ANNUAL REPORT

2019 - 2020



## **03** CORPORATE INFORMATION

## **04** COMMITTEE INFORMATION

05 NOTICE OF ANNUAL GENERAL MEETING

## **19** BOARD'S REPORT

27 SECRETARIAL AUDIT REPORT

31 ANNUAL RETURN

41 REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

43 CORPORATE GOVERNANCE REPORT

## **59** MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT

## **65** INDEPENDENT AUDITORS' REPORT

## **72** STANDALONE FINANCIAL STATEMENTS

73 STATEMENT OF PROFIT AND LOSS

74 CASH FLOW STATEMENT

83 NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## **85** FORWARD LOOKING STATEMENT



## CORPORATE INFORMATION

<b>BOARD OF DIRECTORS:</b>	MR. R. JAGADEESAN - MANAGING DIRECTOR MS. MALATHIJAGADEESAN - DIRECTOR MR. M. PUGAZHENDHI - INDEPENDENT DIRECTOR MR. ASHOK P. SHAH - INDEPENDENT DIRECTOR
<b>CHIEF FINANCIAL OFFICER</b>	MR. P. RAJASEKARAN
<b>COMPANY SECRETARY</b>	MS. M. HARSHINI
<b>AUDITORS:</b>	M/S. R.SUNDARARAMAN & CO, CHARTERED ACCOUNTANTS CHENNAI 600 083
<b>BANKERS:</b>	IDBI BANK LIMITED. AMMAPET, SALEM 636 003  HDFC LIMITED., RAMAKRISHNA ROAD, SALEM-636 007
<b>REGISTERED OFFICE</b>	OMALUR ROAD, JAGIRAMMAPALAYAM POST, SALEM 636 302
<b>CORPORATE IDENTIFICATION NUMBER</b>	L17111TZ1977PLC000776
<b>REGISTRAR &amp; TRANSFER AGENTS:</b>	CAMEO CORPORATE SERVICES LIMITED SUBRAMANIAN BUILDING, V FLOOR, NO.1, CLUB HOUSE ROAD, CHENNAI 600 002



## **COMMITTEE INFORMATION**

### **AUDIT COMMITTEE:**

MR. M. PUGAZENDHI, CHAIRMAN  
MR.ASHOK P SHAH  
MS.MALATHI JAGADEESAN

### **NOMINATION AND REMUNERATION COMMITTEE:**

MR. M. PUGAZENDHI, CHAIRMAN  
MR.ASHOK P SHAH  
MS.MALATHI JAGADEESAN

### **STAKEHOLDER RELATIONSHIP COMMITTEE:**

MS.MALATHI JAGADEESAN, CHAIRMAN  
MR.ASHOK P SHAH  
MR. M. PUGAZENDHI



## THAMBBI MODERN SPINNING MILLS LIMITED

Registered Office: Omalur Road, JagirAmmapalayam, Salem-636 302

Corporate Identity Number (CIN): L17111TZ1977PLC000776

Website: [www.thambbimodern.com](http://www.thambbimodern.com), Email: [tmsml@ymail.com](mailto:tmsml@ymail.com)

Tel: 0427-2345425

### NOTICE TO THE SHAREHOLDERS

Notice is hereby given that the Forty Second Annual General Meeting of the Company will be held through Video Conferencing on Friday 28th August, 2020 at 10:00 A.M to transact the following business:

#### ORDINARY BUSINESS

1. To receive, consider and adopt

The Audited Financial Statements of the Company for the year ended 31<sup>st</sup> March 2020 together with the notes annexed thereto and the Reports of the Board of Directors and the Auditors thereon.

2. To appoint Ms. Malathi Jagadeesan, Non-Executive Director (DIN NO.01153985) who retires by rotation and being eligible offers herself for re-appointment be up to 31<sup>st</sup> March 2021.

#### SPECIAL BUSINESS

3. Reappointment of Mr. Ashok Pukhraj Shah (DIN:01137579) as Independent Director

**To consider and if thought fit to pass with or without modification if any the following Resolution as Special Resolution**

**“RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), to re-appoint Mr. Ashok P Shah (DIN:01137579), as Independent Director being eligible, and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby re-appointed as Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 3 (three) consecutive years on the Board of the Company.”

**“RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all such acts and deeds and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”



#### **4. Reappointment of Mr. Muthu Udayar Pugazhendhi (DIN: 01137623) as Independent Director**

**To consider and if thought fit to pass with or without modification if any the following Resolution as Special Resolution**

**“RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), to re-appoint Mr. Muthu Udayar Pugazhendhi (DIN: 01137623), as Independent Director being eligible, and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 3 (three) consecutive years on the Board of the Company.”

**“RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all such acts and deeds and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

**By order of the Board of Directors**

**R. Jagadeesan**  
**Managing Director**  
**DIN: 01153985**

**Malathi Jagadeesan**  
**Director**  
**DIN: 00153952**

**Place: Salem**  
**Date: 31/07/2020**



## **NOTES**

1. In view of the outbreak of CoVID-19 pandemic, social distancing norms is being followed and the continuing restriction on movement of persons at several places in the country and pursuant to the Circular No. 14/2020 dated 8th April 2020, Circular No.17/2020 dated 13<sup>th</sup> April 2020 and Circular No. 20/2020 dated 5th May 2020 issued by the Ministry of Corporate Affairs (MCA) and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020 issued by the Securities and Exchange Board of India ("SEBI") and in compliance with the provisions of the Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), physical attendance of the Members at the AGM venue is not required and AGM can be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate at the ensuing AGM through VC/OAVM.
2. Pursuant to the aforesaid Circulars, the facility to appoint proxy by Members under Section 105 of the Act, 2013 to attend and cast vote for the Members is not available for this AGM as the physical attendance of Members has been dispensed with. However, Body Corporate are entitled to appoint authorized representatives as its Member to attend the AGM through VC / OAVM and participate thereat and cast their votes through e-Voting.
3. The Members can join the AGM through the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the AGM by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to the members on "first come first served" basis. This will not include large Shareholders (Shareholders holding 2% or more of the total number of shares of the Company as on the cutoff date as defined), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of "first come first served" basis.
4. Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act, 2013.
5. Pursuant to the provisions of Section 108 of the Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of Listing Regulations (as amended), and the Circulars issued by MCA dated 8th April, 2020, 13<sup>th</sup> April, 2020 and 5th May, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the businesses to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services Ltd (CDSL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as voting at the meeting will be provided by CDSL.
6. In line with MCA Circular No. 17/2020 dated 13th April, 2020, the Notice calling the AGM has been uploaded on the website of the Company at <http://www.thambbimodern.com/>. The Notice can also be accessed from the websites of the Stock Exchange BSE Limited at





[www.bseindia.com](http://www.bseindia.com) and also available on the website of Central Depository Services Ltd (agency for providing the Remote e-Voting facility) i.e. [www.evotingindia.com](http://www.evotingindia.com).

7. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Act, 2013 read with Circulars issued by MCA and SEBI in this regard.

## GENERAL

1. Notice of the AGM together with Annual Report for the F.Y.2019-2020 has been sent to all members by permitted mode electronically to those members who have registered their email address with the Company or their respective Depository. The electronic transmission of notices together with Annual Report has been completed. The Notice of AGM and Annual Report for the F.Y. 2019-2020 are available on the Company's website <http://www.thambbimodern.com/>

2. The Register of Members and Share Transfer Books of the Company shall remain closed from Saturday, August 22, 2020 to Friday, August 28, 2020 (both days inclusive) for the purpose of Annual General Meeting of the Company.

3. Corporate Members intending to send their authorized representatives to attend the meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company a certified copy of the relevant Board resolution together with the specimen signatures of their authorized representatives to attend and vote on their behalf at the meeting

4. The business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instructions and other information relating to remote e-voting are given in this Notice under Note No. 19.

5. In terms of Section 152 of the Companies Act, 2013, Ms. Malathi Jagadeesan, (DIN : 00153952), Non-Executive Director retire by rotation at this Meeting and being eligible, offer herself for re-appointment and her term would be up to 31<sup>st</sup> March 2021. The Board of Directors of the Company commends her respective re-appointment. Ms. Malathi Jagadeesan aged about 66 years. She is a Science graduate having experience in the field of Textiles. She is associated with the company from 10<sup>th</sup> October 1994 as Director on the Board.

Details of the Directorship/Member of Committee including M/s Thambbi Modern Spinning Mills Limited held by Ms. Malathi Jagadeesan

Directorship	Membership/Chairmanship at Committees of M/s Thambbi Modern Spinning Mills Limited
1. Director of M/s Thambbi Modern Spinning Mills Limited	Member of Audit Committee Chairman of Stakeholders
2. Director of M/s Sunrise Jewelleries Private Limited	Relationship Committee Member of Nomination and
3. Director of M/s Jagadeesh Apartments	Remuneration Committee



Private Limited 4. Director of Mangaiyar Benefit Fund Private Limited	
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6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. Relevant documents referred to in the accompanying Notice and the Statement is open for inspection by the members at the Registered Office of the Company on all working days, except Sundays, during business hours up to the date of the Meeting.
8. Members holding shares in electronic form are requested to intimate immediately any change in their address, bank mandates and other details to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company / Cameo Corporate Services Limited.
9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / Cameo Corporate Services Limited, Chennai.
10. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The nomination form can be requested from the Company.
11. Non – Resident Indian Members are requested to inform Cameo, immediately of:
  - a) Change in their residential status on return to India for permanent settlement.
  - b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
12. Members, who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
13. Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide to its members facility to exercise their right to vote on resolutions proposed to be passed in the Meeting by electronic means. The members may cast their votes using an electronic voting system from a place other than the venue of the Meeting ('remote e-voting').



14. The facility for voting through poll shall be made available at the Meeting and the members attending the Meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the AGM through ballot paper.
15. The members who have cast their vote by remote e-voting may also attend the meeting but shall not be entitled to cast their vote again.
16. The Board of Directors of the Company has appointed Mr. R. Tamizhvanan, Practicing Company Secretary, Chennai as Scrutinizer to scrutinize the Poll and remote e-voting process in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for same purpose.
17. The Scrutinizer, after scrutinizing the votes cast at the meeting poll and through remote e-voting, will, not later than 48 hours of conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company [www.thambbimodern.com](http://www.thambbimodern.com). The results shall simultaneously be communicated to the Stock Exchanges.
18. Members are requested to address all correspondence, including dividend-related correspondence, to the Registrar and Share Transfer Agents and/or to the Company.

#### **CAMEO CORPORATE SERVICES LIMITED**

SUBRAMANIAN BUILDING, V FLOOR,  
NO.1, CLUB HOUSE ROAD,  
CHENNAI 600 002  
PH: 044 2846 1073

[investor@cameoindia.com](mailto:investor@cameoindia.com)

#### **THAMBBI MODERN SPINNING MILLS LIMITED**

Omalur Road,  
Jagir Ammapalayam,  
Salem – 636302  
PH: 0427 2345425

[tmsml@thambbimodern.com](mailto:tmsml@thambbimodern.com)



## Voting through electronic means

1. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, and amendments thereto, the Company is pleased to provide members facility to exercise their right to vote at the 11th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL):

### The instructions for shareholders voting electronically are as under:

The voting period begins on Tuesday, August 25, 2020 (10:00 am) and ends on Thursday, August 27, 2020 (5:00pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the August 21, 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- i. If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and casted your vote earlier for EVSN of any Company, then your existing login id and password are to be used.
- ii. Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- iii. Click on "Shareholders" tab to cast your votes.
- iv. Select the **Electronic Voting Sequence Number ("EVSN")** associated with the Company name **"THAMBBI MODERN SPINNING MILLS LIMITED"** from the drop down menu and click on Submit.
- v. Now, fill up the following details in the appropriate boxes:

	For members holding shares in demat form	For members holding shares in physical form
User ID	For NSDL: 8 Character DP ID followed by 8 Digits Client ID For CDSL: 16 digits beneficiary ID	Folio Number registered with the Company
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department when prompted by the system while e-voting (applicable for both demat shareholders as well as physical shareholders)	
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio.	
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. # Any one	

Alternatively, if you are registered for CDSL's EASI/EASIEST e-services, you can log-in at <https://www.cdslindia.com> from [Login – Myeasi](#) using your login credentials. Once you successfully log-in to CDSL's EASI/EASIEST e-services, click on e-Voting option and proceed directly to cast your vote electronically.



(vi) Next enter the Image Verification as displayed and Click on Login

(vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.

(viii) If you are a first time user follow the steps given below:

	<b>For Shareholders holding shares in Demat Form and Physical Form</b>
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"><li>Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li></ul>
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"><li>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li></ul>

\*Members who have not updated their PAN with the Company/Depository Participant are requested to use the default number: <TMSagm> in the PAN field

ix. After entering these details appropriately, click on “SUBMIT” tab.

x. Members holding shares in physical form will then reach directly to the voting screen. However, members holding shares in demat form will now reach ‘Password Change’ menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@ # \$ %& \*). Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Kindly note that this changed password is to be also used by the demat holders for voting for resolutions for the Company or any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform.

xi. You can also update your mobile number and e-mail ID in your demat account, which may be used for sending communication(s) regarding CDSL e-voting system in future. The same may be used in case the member forgets the password and the same needs to be reset.

xii. For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.



xiii. Select the **Electronic Voting Sequence Number “200725001” (“EVSN”)** associated with the Company name **“THAMBBI MODERN SPINNING MILLS LIMITED”** from the drop down menu and click on Submit.

xiv. On the voting page, you will see Resolution Description and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

xv. Click on the “Resolutions File Link” if you wish to view the entire Resolutions.

xvi. After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.

xvii. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

xviii. You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.

xix. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

**xx. Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to log on to **[https:// www.evotingindia.com](https://www.evotingindia.com)** and register themselves, link their account which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution in PDF format in the system for the scrutinizer to verify the vote.

2. The voting period begins on Tuesday, August 25, 2020 (10:00 am) and ends on Thursday, August 27, 2020 (5:00pm). During this period, shareholder of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) as on the August 21, 2020, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

3. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

4. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of August 21, 2020.



5. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
6. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through polling paper.
7. Mr. R Thamizhvanan, Practicing Company Secretary (Membership No. ACS 11151, CP No.3721) has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
8. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting by polling papers and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than 48 hours of the conclusion of the AGM, a consolidated scrutinizer's report of total votes cast in favor or against, if any, to the Chairman or a person authorized by him in writing.
9. The results on the resolution shall be declared within 48 hours of the conclusion of the AGM and the resolutions will be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favour of the resolutions.
10. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (10.00 am to 5.00 pm) on all working days except Saturdays and Sundays, up to and including the date of the Annual General Meeting of the Company.

**PROCESS FOR THOSE SHAREHOLDERS WHO'S EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.
2. For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to **Company/RTA email id**.

**By order of the Board of Directors**

**R. Jagadeesan**  
**Managing Director**  
**DIN: 01153985**

**Malathi Jagadeesan**  
**Director**  
**DIN: 00153952**

**Place: Salem**  
**Date: 31/07/2020**



**INSTRUCTIONS TO THE MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Shareholder will be provided with a facility to attend the EGM/AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 3 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 3 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

**INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THEAGM/EGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the EGM/AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the EGM/AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the EGM/AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the EGM/AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility , then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.





4. Shareholders who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/AGM.

#### **NOTE FOR NON – INDIVIDUAL SHAREHOLDERS AND CUSTODIANS**

1. Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
2. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
3. After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
4. The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
5. A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
6. Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [tmsml@thambbimodern.com](mailto:tmsml@thambbimodern.com), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.
7. If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact Mr. Nitin Kunder (022-23058738 ) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).
8. All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.



## **EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013**

### **Item No. 3 & 4 – Re-appointment of Mr. Ashok Pukhraj Shah (DIN: 01137579) and Mr. Muthu Udayar Pugazhendhi (DIN: 01137623) as Independent Director**

#### **Statement pursuant to Section 102(1) of the Companies Act, 2013**

Mr. Ashok Pukhraj Shah and Mr. Muthu Udayar Pugazhendhi were appointed earlier as Independent Directors on the Board of the Company subject to the provisions of Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force).

The Human Resources, Nomination and Remuneration Committee of the Board of Directors, on the basis of the report of performance evaluation of Independent Directors, has recommended reappointment of Mr. Ashok Pukhraj Shah and Mr. Muthu Udayar Pugazhendhi as Independent Directors for a second term of 3 (three) consecutive years on the Board of the Company.

The Board, based on the performance evaluation of Independent Directors and as per the recommendation of the Human Resources, Nomination and Remuneration Committee, considers that, given their background and experience and contributions made by them during their tenure, the continued association of Mr. Ashok Pukhraj Shah and Mr. Muthu Udayar Pugazhendhi would be beneficial to the Company and it is desirable to continue to avail their services as Independent Directors. Accordingly, it is proposed to re-appoint Mr. Ashok Pukhraj Shah and Mr. Muthu Udayar Pugazhendhi as Independent Directors of the Company, not liable to retire by rotation and to hold office for a second term of 3 (three) consecutive years on the Board of the Company.

The Company has also received declarations from Mr. Ashok Pukhraj Shah and Mr. Muthu Udayar Pugazhendhi that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under the Listing Regulations. The proposed Reappointment of Mr. Ashok Pukhraj Shah and Mr. Muthu Udayar Pugazhendhi require approval of members by passing Special Resolution. Hence, the members are requested to pass the Special Resolution accordingly.

The Board recommends the Resolution at Item Nos. 3 & 4 for approval of the shareholders.



Mr. Ashok Pukhraj Shah and Mr. Muthu Udayar Pugazhendhi are interested in the resolutions set out respectively at Item Nos 3 & 4 of the Notice with regard to their respective re-appointments. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

**By order of the Board of Directors**

**R. Jagadeesan**  
**Managing Director**  
**DIN: 01153985**

**Malathi Jagadeesan**  
**Director**  
**DIN: 00153952**

**Place: Salem**  
**Date: 31/07/2020**



## **BOARD'S REPORT**

### **TO THE MEMBERS,**

The Directors submit the annual report of M/s Thambbi Modern Spinning Mills Limited along with the audited financial statement for the year ended 31<sup>st</sup> March, 2020.

### **FINANCIAL RESULTS**

(in lacs)

<b>Particulars</b>	<b>2019- 2020</b>	<b>2018- 2019</b>
Revenue from Operation	191.26	248.29
Profit / (Loss) before depreciation and taxation	(134.31)	(145.93)
Depreciation	63.27	60.45
Profit / (Loss) Before Taxation	(197.57)	(206.38)
Net Profit / (Loss)	(218.23)	(209.61)

### **PERFORMANCE**

During the year under review, your company's revenue is Rs.191.26 Lakhs compared to the revenue of Rs.248.29 Lakhs in the previous year.

### **PROSPECTUS**

The Company was promoted by Mr. N. Ramasamy Udayar by the year 1977. The Company is in the business of spinning and weaving of different type of fibers and yarns. The Company also involves in trading of cotton and yarns. Due to challenging business scenario in textile, this business activity is closed. The Company has developed a building for Commercial activity and presently let out for rent and earning rental income. The Company has plans for various real estate activities.

### **DIVIDEND**

In order to conserve the resources of the Company and to expand and intensify the business operations, your Directors do not recommend any dividend for the year ending March 31, 2020

### **SHARE CAPITAL**

During the year under review, there is no change in the capital of the Company. Authorised capital of the Company is Rs. 14 crores and paid up capital is Rs. 5,76,27,700/-

### **FINANCE**

Cash and cash equivalents as at 31st March, 2020 was Rs. 28,54,661/-. The Company continues to focus on judicious management of its working capital, receivables, inventories and other working capital parameters were kept under strict check through continuous monitoring.



## **PUBLIC DEPOSITS**

The Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 and any amendments thereto.

## **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

The Company has not given any loans or guarantees covered under the provisions of Section 186 of the Companies Act, 2013. The details of the investments made by Company are given in the notes to the financial statements.

## **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

Details of the same are provided in the Management Discussion and Analysis Report which forms part of this report.

## **CORPORATE SOCIAL RESPONSIBILITY**

The Company has not taken any initiatives under “Corporate Social Responsibility” as the ceiling limit was not applicable to the Company as per Section 135 Companies Act 2013.

## **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

During the year under review Ms. Malathi Jagadeesan, Non-Executive Director retire by rotation at this Annual General Meeting and being eligible offer herself for re-appointment. Mr. R. Jagadeesan (DIN 00001703) being reappointed as Managing Director of the Company, for a period of three years with effect from 01st April 2019 at the 41<sup>st</sup> AGM held on 20th June, 2019. Mr. Ashok P Shah (DIN: 01137579) and Mr. MuthuUdayar Pugazhendhi (DIN: 01137623) Independent Directors, and their first tenure of appointment expires and being eligible, seeks re-appointment. The board recommends their re-appointment.

None of the Directors is disqualified for appointment/reappointment under Section 164 of the Companies Act, 2013.

The composition of the board, meetings of the board held during the year and the attendance of the directors thereat have been mentioned in the report on corporate governance in the board’s report.

## **DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS:**

The Company has received necessary declaration from each Independent Director of the Company under Section 149(7) of the Companies Act, 2013 that the Independent Directors of the Company meet with the criteria of their Independence laid down in Section 149(6).

A separate meeting of the Independent Directors was held on February 12, 2020 to review the performances of;



- (a) Non-independent Directors and Executive Directors;
- (b) To assess the quality, quantity and timeliness of flow of Information

## **FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS**

The details of the familiarisation programme for the Independent Directors is reported in the Report on Corporate Governance, which is attached to the Board's Report.

## **BOARD EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 and Regulation 15 (2) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Independent Directors at their meeting without the participation of the Independent Directors, considered/evaluated the Boards' performance, Performance of the Managing Director and other Independent Directors. The criteria for performance evaluation have been detailed in the Corporate Governance Report which forms part of this report.

## **POLICIES**

The Company is compliant with the following policies/charters:

- Audit Committee Charter
- Nomination and Remuneration Policy
- Vigil Mechanism/Whistle Blower Policy
- Policy for determination of Materiality of any Event/Information
- Policy on Independent Directors
- Related Party Transaction Policy
- Code of conduct for prevention of insider trading and code of practices and procedures for fair disclosure of unpublished price sensitive information
- Policy for preservation of documents and Archival Policy

All the policies are available in the website of the Company [www.thambbimodern.com](http://www.thambbimodern.com)

## **BOARD MEETINGS**

The Board of Directors met 06 times during the financial year 2019-20. The dates of the Board meetings are as follows:

29th May, 2019, 10th August, 2019, 11<sup>th</sup> November, 2019, 06<sup>th</sup> January, 2020, 12<sup>th</sup> February, 2020 and 28<sup>th</sup> February, 2020

## **AUDIT COMMITTEE**

Details of Composition of Audit Committee are covered under corporate governance report annexed with this report and forms part of this report. Further, during this year all the recommendations of the Audit committee have been accepted by the Board.



## **DIRECTORS RESPONSIBILITY STATEMENT**

To the best of our knowledge and belief and according to the information and explanations obtained by us, your Directors make the following statements in terms of Section 134 of the Companies Act, 2013:

- a) in the preparation of the annual financial statements for the year ended March 31, 2020, the applicable Accounting Standards had been followed along with proper explanation relating to material departures for the financial year ended 31<sup>st</sup> March, 2020, such accounting policies as mentioned in the Notes to the financial statements have been applied consistently and judgments and estimates that are reasonable and prudent have been made so as to give a true and fair view of the state of affairs of the Company and of the Profit and Loss of the Company for the year ended 31<sup>st</sup> March, 2020.
- b) that proper and sufficient care has been taken 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.
- c) the annual financial statements have been prepared on going concern basis.
- d) that proper internal financial controls were followed by the Company and that such internal financial controls are adequate and were operating effectively.
- e) that proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

## **RELATED PARTY TRANSACTIONS**

There are no materially significant related party transactions made by the Company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the Company at large.

## **SUBSIDIARY COMPANIES**

The Company does not have any subsidiary.

## **CODE OF CONDUCT**

The Board of Directors has approved a Code of Conduct which is applicable to the Members of the Board and all employees in the course of day to day business operations of the Company.

All the Board Members and the Senior Management personnel have confirmed compliance with the Code. All Management Staff were given appropriate training in this regard.

## **SECRETARIAL AUDIT REPORT**

According to the provision of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company engaged the services of Mr. R. Thamizhvanan, Membership No: 11151, Practising Company Secretary, Chennai to conduct the Secretarial Audit of the Company for the Financial Year 2019-20.



The Secretarial Audit Report submitted by the Company Secretary in Practice is enclosed as a part of this Annual report in Annexure-I, which is self-explanatory.

The Secretarial Auditor has observed that the position of Company Secretary and Compliance officer was vacant till 28<sup>th</sup> February, 2020 and few delay in filing BSE compliances of The Securities and Exchange Board of India (Listing Obligation and Disclosure Regulation), 2015.

### **OBSERVATIONS IN SECRETARIAL AUDITORS' REPORT**

The Company has appointed Ms. M. Harshini, as Company Secretary & Compliance officer with effect from 01<sup>st</sup> March, 2020 to conform with the requirement of SEBI & Companies Act. Delay in filing with BSE was due to the vacancy and the same has been fulfilled. Hence here won't be any delay or non compliance with respect to SEBI, Companies Act and other regulatory matters.

### **AUDITORS**

The Auditors M/S. R. Sundararaman & Co Chartered Accountants (Firm Regn.No.004219S) has been re-appointed as Statutory Auditors of the Company for the period of audit from financial year 2018-19 to 2021-22 at the 40<sup>th</sup> Annual General Meeting held on 27<sup>th</sup> December, 2018.

### **OBSERVATIONS IN AUDITORS' REPORT**

The Auditors' report does not contain any qualification, reservation or adverse remarks.

### **COST AUDIT**

The Central Government has not prescribed maintenance of cost records for the existing business activities of the Company.

### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

It is comprising of all information as prescribed under Regulation 34 (2) (e) and schedule V of the SEBI (Listing obligation and Disclosure Requirement) Regulations, 2015 is attached to the Board's Report – Annexure VI. Disclosures have been made by the Senior Management relating to all material, financial and commercial transactions with personal interests, if any. Based on the declarations made, no transaction was in conflict with the interest of the Company.

### **EXTRACT OF ANNUAL RETURN**

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as Annexure-II

### **HUMAN RESOURCES**

Your Company treats its human resources as one of its most important assets. Your Company continuously invests in attracting, retaining and developing talent on an ongoing basis. Your Company's thrust is on the promotion of talent internally through job rotation and job enlargement.





## **PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES**

In terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, No employees are drawing remuneration in excess of the limits set out in the said Rules.

Having regard to the provisions of Section 136(1) read with its relevant provision of the Companies Act, 2013, the Annual Report excluding the aforesaid information is being sent to the members of the Company. The said information is available at the website and also at the Registered Office of the Company for inspection during working hours and any member interested in obtaining such information may write to the Compliance Officer and the same will be furnished without any fee and free of cost.

## **REMUNERATION POLICY OF THE COMPANY**

The Remuneration policy of the Company comprising the appointment and remuneration of the Directors, Key Managerial Personnel and Senior Executives of the Company including criteria for determining qualifications, positive attributes, Independence of a Director and other related matters have been provided in the Corporate Governance Report which forms part of this report.

## **CORPORATE GOVERNANCE AND SHAREHOLDERS INFORMATION**

The Company has taken adequate steps to adhere to all the stipulations laid down under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. A report on Corporate Governance included as a part of this Annual Report is given in Annexure-V.

Certificate from the Statutory Auditors of the Company confirming the compliance with the conditions of Corporate Governance as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached to this Annual Report.

## **CODE OF BUSINESS CONDUCT AND ETHICS**

The Board of Directors has approved a Code of Conduct and Ethics in terms of Schedule IV of Companies Act, 2013 and Listing Agreement. All the Board Members and the Senior Management personnel have confirmed compliance with the Code for the year ended March 31, 2020. The annual report contains a declaration to this effect signed by the Managing Director and CFO.



## **PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE POLICY**

The Company's policy on Prevention of Sexual Harassment of Women provides for the protection and prevention against sexual harassment of women employees at the workplace and redressal of such complaints. There were no complaints received or pending for redressal during the FY 19-20.

## **VIGIL MECHANISM/WHISTLE BLOWER POLICY:**

In accordance with section 177(9) and (10) of the Companies Act, 2013 and Regulation 22 of SEBI (LODR) Regulations, 2015 the company has established a Vigil Mechanism and has a Whistle Blower Policy. The policy provides a mechanism for all employees to report to the management, grievances about the unethical behavior or any suspected fraud. The policy is available at the website of the company [www.thambbimodern.com](http://www.thambbimodern.com)

## **PREVENTION OF INSIDER TRADING:**

The Company has complied with the provisions of SEBI (Prevention of Insider Trading) Regulations. The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code. The code of conduct for prevention of insider trading is available in the website of the company [www.thambbimodern.com](http://www.thambbimodern.com)

## **COMPLIANCE OF SECRETARIAL STANDARD**

The Company has complied with the Secretarial Standards issued by The Institute of Company Secretaries of India and approved by the Central Government as required under Section 118(10) of the Companies Act, 2013

## **COMPLIANCE UNDER COMPANIES ACT 2013**

Pursuant to Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, your Company complied with the compliance requirements and the detail of compliances under Companies Act, 2013 are enumerated below.

## **FUND RAISING:**

Equity – Nil  
Deposits - Nil



## **DEBT**

During the year, your Company has obtained LRD Loan to the tune of Rs. 300 Lakhs from M/s HDFC Ltd after taken over of Rs.180 lakhs of LIC HFL Ltd. Coimbatore and in IDBI Rs.907.76 lakhs outstanding as on 31.03.2020 and the Company has repaid Rs.25.75 Lakhs as at 31.03.2020.

## **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS OF THE COMPANY**

There are no significant and material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company.

## **RESEARCH AND DEVELOPMENT, CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO - NIL**

## **ACKNOWLEDGEMENT**

The Directors wish to express their appreciation for the continued co-operation of financial institutions. The Directors also wish to thank the employees for their contribution, support and continued co-operation throughout the year.

**By order of the Board of Directors**

**R. Jagadeesan**  
**Managing Director**  
**DIN: 01153985**

**Malathi Jagadeesan**  
**Director**  
**DIN: 00153952**

**Place: Salem**  
**Date: 24/07/2020**



**ANNEXURE-I**  
**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR 2019-20**  
**[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies**  
**(Appointment and Remuneration Personnel) Rules, 2014]**

**To**  
**The Members,**  
**THAMBBI MODERN SPINNING MILLS LIMITED**  
**OMALUR ROAD, JAGIR AMMAPALAYAM,**  
**SALEM TN 636302**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by THAMBBI MODERN SPINNING MILLS LIMITED (here-in-after called the 'Company') for the financial year ending on 31st March 2020. Secretarial Audit was conducted in a manner that provided me/us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report :-

That in my opinion, the company has, during the audit period has complied with the applicable statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the said financial year under the provisions of

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992(SEBI Act)
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;-Not applicable



- d. Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999- Not applicable
- e. Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008
- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;- Not applicable
- h. Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998- Not applicable
- i. The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulations, 2015

(v) The other laws as may be applicable specifically to the Company based on the operations of the Company viz rental income covered by Indian Contract Act, 1872.

I have also examined whether adequate systems and processes are in place to monitor and ensure compliance with general laws like labour laws, competition laws, environment laws etc

In respect of financial laws like Tax laws, etc. I have relied on the audit reports made available during our audit for us to have the satisfaction that the Company has complied with the provisions of such laws

I have also examined compliance with the applicable Secretarial Standards issued by The Institute of Company Secretaries of India.

During the audit period the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that:-

**The Company filled the position of Company secretary as per section 203 of the Companies Act 2013 with effect from 01.03.2020.**

**The following are the regulations which the company has delayed in filing BSE compliances of The Securities and Exchange Board of India (Listing Obligation and Disclosure Regulation), 2015:**

- a. **Reg 34(1) of SEBI (LODR) Submission of Annual Report for the Financial Year 2018-19**
- b. **Reg 34(3) of SEBI (LODR) Outcome of AGM 2019**
- c. **Reg 44(3) of SEBI (LODR) Voting result AGM 2019**
- d. **Reg 55A of SEBI (LODR) along XBRL (1st Quarter of 2019-20)**
- e. **Reg 30(4) of SEBI(LODR) Disclosure of events or information-Outcome of BM (1st Quarter of 2019-20)**
- f. **Reg 33 of SEBI (LODR) for 30.06.2019 –Financial Results (1st Quarter of 2019-20)**
- g. **Reg 33 of SEBI (LODR) for 30.06.2019 –Financial Results (2nd Quarter of 2019-20)**
- h. **Reg 33 of SEBI (LODR) for 30.09.2019 –Financial Results (3rd Quarter of 2019-20)**



**i. Reg 33 of SEBI (LODR) for 30.09.2019 -Submission of updates in Financial Results (3rd Quarter of 2019-20)**

**I further report that:-**

The Board of Directors & the Committees of the Company are duly constituted. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through and there were no dissenting views by any of the Board members during the year.

**I further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report that** during the audit period the company has complied with all requirements under the new Companies Act 2013 to the extent notified and applicable with respect to all events/actions having a major bearing on the Companies affairs.

**I further report that** The Company has applied for Revocation of Suspension of Trading in the securities. Internal Listing Committee of the BSE Ltd has granted In-Principle approval for revocation on 24.03.2020. Further on 07.07.2020 vide Notice no. 20200707-31 BSE limited published that suspension in trading of equity shares of the company will be revoked w.e.f. July 15, 2020 which has been effected in the BSE portal.

**This report is to be read with our letter of even dated which is annexed below which is integral part of this Report**

**R. THAMIZHVANAN  
(COMPANY SECRETARY IN PRACTICE)  
CP NO. 3721  
UDIN: A011151B000503379**

**Place: Chennai  
Date: 25/07/2020**



## Annexure

To  
The Members,  
THAMBBI MODERN SPINNING MILLS LIMITED  
OMALUR ROAD, JAGIR AMMAPALAYAM,  
SALEM TN 636302

Our report of even dated is to be read along with this letter:

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**R. THAMIZHVANAN**  
**(COMPANY SECRETARY IN PRACTICE)**  
**CP NO. 3721**  
**UDIN: A011151B000503379**

**Place: Chennai**  
**Date: 25/07/2020**



**ANNEXURE - II**  
**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
**As on the financial year ended on 31st March, 2020**

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

**I. REGISTRATION AND OTHER DETAILS**

i.	CIN	L17111TZ1977PLC000776
ii.	Registration Date	07.03.1977
iii.	Name of the Company	THAMBBI MODERN SPINNING MILLS LIMITED
iv.	Category / Sub – Category of the Company	Company limited by shares/Indian Non Govt. Company
v.	Address of the Registered Office of the Company	OMALUR ROAD, JAGIR AMMAPALAYAM, SALEM - 636302
vi.	Whether listed Company	Yes in BSE
vii.	Name, Address and contact details of Registrar and Transfer Agent, if any	Cameo Corporate Services Limited Subramanian Building, V Floor, No.1, Club House Road, Chennai – 600 002 Contact No.044-28461073

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:-

S.No.	Name and Description of main Products / Services	NIC Code of the Product/ service	% to total turnover of the Company
1	Rent receipts	681	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATION COMPANIES - NIL**





#### IV. SHARE HOLDING PATTERN (equity share capital breakup as % of total equity)

##### i. CATEGORY-WISE SHARE HOLDING

Category of shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total share	Demat	Physical	Total	% of Total shares	
<b>A. PROMOTERS</b>									
<b>(1) INDIAN</b>									
Individual/HUF	43,20,295		43,20,295	74.97	43,20,295		43,20,295	74.97	-
Any other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (1)</b>	<b>43,20,295</b>	<b>-</b>	<b>43,20,295</b>	<b>74.97</b>	<b>43,20,295</b>	<b>-</b>	<b>43,20,295</b>	<b>74.97</b>	<b>-</b>
<b>(2) Foreign</b>									
Any other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total shareholding of promoter (A) = (A) (1) + (A) (2)</b>	<b>43,20,295</b>	<b>-</b>	<b>43,20,295</b>	<b>74.97</b>	<b>43,20,295</b>	<b>-</b>	<b>43,20,295</b>	<b>74.97</b>	<b>-</b>
<b>(B) (1) PUBLIC SHAREHOLDING</b>									
<b>Institution</b>									
Banks / Financial Institutions	13,800	400	14,200	0.25	13,800	400	14,200	0.25	0
Funds other (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B) (1)</b>	<b>13,800</b>	<b>400</b>	<b>14,200</b>	<b>0.25</b>	<b>13,800</b>	<b>400</b>	<b>14,200</b>	<b>0.25</b>	<b>0</b>
<b>(B) (2) Non-Institutions</b>									
	-	-	-	-	-	-	-	-	-
a. Bodies Corp.	30,303	36,000	66,303	1.15	27,700	36,000	63,700	1.11	-0.04
b. 1. Individuals shareholders holding nominal share capital upto Rs. 1.00 Lakh	4,81,425	3,33,029	8,14,454	14.13	4,85,878	3,31,279	8,17,157	14.18	0.047
2. Individual shareholders holding nominal share capital in excess of Rs.1.00 Lakh	4,82,367	26,000	5,08,367	8.82	4,82,367	26,000	5,08,367	8.82	0
c. Any other Specify	0	0	0	0	0	0	0	0	0
1. Clearing Member	0	0	0	0	0	0	0	0	0



2.Hindu Undivided Family	38,810	0	38,810	0.67	38,710	0	38,710	0.67	-0.0017
3.Non Resident Indians	101	0	101	0.00	101	0	101	0.00	0
4.Trusts	240	0	240	0.00	240	0	240	0.00	0
<b>Sub-total (B) (2)</b>	<b>10,33,246</b>	<b>3,95,029</b>	<b>14,28,275</b>	<b>24.78</b>	<b>10,34,996</b>	<b>3,93,279</b>	<b>14,28,275</b>	<b>24.78</b>	<b>0</b>
<b>Total Public Shareholding (B) = (B) (1) + (B) (2)</b>	<b>10,47,046</b>	<b>3,95,429</b>	<b>14,42,475</b>	<b>25.03</b>	<b>10,48,796</b>	<b>3,93,679</b>	<b>14,42,475</b>	<b>25.03</b>	<b>0</b>
C. Shares held by custodians for GDRs and ADRs	0	0	0	0	0	0	0	0	0
<b>Grand Total (A+B+C)</b>	<b>53,67,341</b>	<b>3,95,429</b>	<b>57,62,770</b>	<b>100</b>	<b>53,69,091</b>	<b>3,93,679</b>	<b>57,62,770</b>	<b>100</b>	<b>0</b>

**(ii) Shareholding of Promoters**

S. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of shares	% of total shares of the Company	% of shares pledged / encumbered to total shares	No. of shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares	
1	R. JAGADEESAN	32,84,995	57.00	0	32,84,995	57.00	0	0
2	MALATHI JAGADEESAN	5,68,530	9.87	0	5,68,530	9.87	0	0
3	J. RAJALAKSHMI	2,56,820	4.46	0	2,56,820	4.46	0	0
4	J. RAMKUMAR	2,09,950	3.64	0	2,09,950	3.64	0	0
	<b>TOTAL</b>	<b>43,20,295</b>	<b>74.96</b>	<b>0</b>	<b>43,20,295</b>	<b>74.96</b>	<b>0</b>	<b>0</b>

**iii)** There are NO changes in Promoters' shareholding during the year 2019-20 as mentioned in segment II above.



**(IV). Shareholding pattern of top ten shareholders (other than Directors, Promoters & Holders of GDRs & ADRs):**

Sl.No	Name	No. of. Shares at the beginning of the year 01.04.2019		Increase /Decrease in Shareholding	Reason	Cumulative Shareholding at the end of the year 31.03.2020	
		No. of shares	% of total shares of the Company			No. of shares	% of total shares of the company
1	S.R.MURALI MANOHAR	2,92,000	5.0670	0	Nil	2,92,000	5.0670
2	RAJU BHANDARI	1,17,011	2.0305	3217	Purchases during the year	1,20,228	2.0862
3	DILIP KUMAR SURANA	22,826	0.3961	0	Nil	22,826	0.3961
4	FATEMA HUSSAININ BHARMAL	18,100	0.3141	0	Nil	18,100	0.3141
5	K.RAJENDRAN	17,677	0.3067	2304	Purchases during the year	19,981	0.3467
6	SUBODH RAJARAM MANJHREKAR	15,100	0.2620	0	Nil	15,100	0.2620
7	ORIENTAL BANK OF COMMERCE	13,800	0.2377	0	Nil	13,800	0.2395
8	NAYAN S MANJREKHAR	13,700	0.2377	0	Nil	13,700	0.2377
9	BAJAJ AUTO LTD	12,700	0.2203	0	Nil	12,700	0.2204
10	SAURAV GUPTA	12,300	0.2134	0	Nil	12,300	0.2134



## V. Shareholding of Directors and Key Managerial Personnel:

S.No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the company
<b>1</b>	<b>R.JAGADEESAN MANAGING DIRECTOR</b>				
	At the beginning of the year	32,84,995	57.00	32,84,995	57.00
	Date wise increase/decrease in promoters shareholding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer/ bonus / sweat equity etc.,)	-	-	-	-
	At the end of the year	<b>32,84,995</b>	<b>57.00</b>	<b>32,84,995</b>	<b>57.00</b>
<b>2</b>	<b>MALATHI JAGADEESAN NON-EXECUTIVE DIRECTOR</b>				
	At the beginning of the year	5,68,530	9.86	5,68,530	9.86
	Date wise increase/decrease in promoters shareholding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer/ bonus / sweat equity etc.,)	-	-	-	-
	At the end of the year	<b>5,68,530</b>	<b>9.86</b>	<b>5,68,530</b>	<b>9.86</b>
<b>3</b>	<b>ASHOK P SHAH INDEPENDENT DIRECTOR</b>				
	At the beginning of the year	-	-	-	-
	Date wise increase/decrease in promoters shareholding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer/ bonus / sweat equity etc.,)	-	-	-	-
	At the end of the year	-	-	-	-
<b>4</b>	<b>M. PUGAZENDHI INDEPENDENT DIRECTOR</b>				
	At the beginning of the year	200	0	200	0
	Date wise increase/decrease in promoters shareholding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer/ bonus / sweat equity etc.,)	-	-	-	-
	At the end of the year	<b>200</b>	<b>0</b>	<b>200</b>	<b>0</b>



<b>5</b>	<b>P. RAJASEKARAN CHIEF FINANCIAL OFFICER</b>				
	At the beginning of the year	470	0	470	0
	Date wise increase/decrease in promoters shareholding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer/ bonus / sweat equity etc.,)	-	-	-	-
	At the end of the year	470	0	470	0
<b>6</b>	<b>HARSHINI COMPANY SECRETARY</b>				
	At the beginning of the year	-	-	-	-
	Date wise increase/decrease in promoters shareholding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer/ bonus / sweat equity etc.,)	-	-	-	-
	At the end of the year	-	-	-	-

## VI.REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl.No	Particulars of Remuneration	Name of MD/WTD/Manager	Total amount
1	Gross Salary	<b>R.JAGADEESAN, MANAGING DIRECTOR</b>	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	15,00,000	15,00,000
	(b) Value of perquisites u/s 17(2) of the Income Tax act, 1961	----	----
	(C) profits in lieu of salary under section 17 (3) Income tax act, 1961	----	----
2	Stock option	----	----
3	Sweat equity	----	----
4	Commission as % of profit others, specify	----	----
5	Others, please specify	----	----
	<b>Total (A)</b>	<b>15,00,000</b>	<b>15,00,000</b>
	<b>Ceiling as per the act</b>	<b>Eligible to provide 5% OF Profit or minimum remuneration in terms of Schedule V of the Companies Act, 2013</b>	



## B. Remuneration to other director

S.NO	PARTICUALRS OF REMUNERATION	NAMEOF DIRECTORS		TOTAL AMOUNT
		M.PUGAZHENDHI	ASHOK P SHAH	
	<b>Independent Director</b>			
	Fee for attending board committee meetings	5000	5000	10000
	commission	0	0	0
	others, please specify	0	0	0
	<b>Total (1)</b>	5000	5000	10000
	<b>Other Non – Executive Directors</b>	<b>MALATHI JAGADEESAN</b>	-	-
	Fee for attending board committee meetings	5000	0	5000
	commission	0	0	0
	others, please specify	0	0	0
	<b>Total (2)</b>	5000	0	5000
	<b>Total (B) = (1+2)</b>	10000	5000	15000
	<b>Total Managerial Remuneration</b>	<b>10000</b>	<b>5000</b>	<b>15000</b>
	<b>Overall ceiling as per the Act</b>	<b>1% of the Net Profit of the Company</b>		

## C.REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD - NA

Sl.No	Particulars of Remuneration	Name of MD/WTD/Manager		Total amount
1	Gross Salary	<b>P. RAJASEKARAN CHIEF FINANCIAL OFFICER</b>	<b>HARSHINI COMPANY SECRETARY</b>	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2,50,000	25,000	2,75,000
	(b) Value of perquisites u/s 17(2) of the Income Tax act, 1961	----	----	----
	(C) profits in lieu of salary under section 17 (3) Income tax act, 1961	----	----	----
2	Stock option	----	----	----
3	Sweat equity	----	----	----
4	Commission as % of profit	----	----	----



	others, specify			
5	Others, please specify	-----	-----	-----
	<b>Total (A)</b>	<b>2,50,000</b>	<b>25,000</b>	<b>2,75,000</b>
	<b>Ceiling as per the act</b>	<b>Eligible to provide 5% OF Profit or minimum remuneration in terms of Schedule V of the Companies Act, 2013</b>		

\*Ms. M. Harshini, Company Secretary was appointed from the board with effect from 01<sup>st</sup> march, 2020.

## VI. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

Rs.in.Lacs				
Particulars	Secured Loans excluding deposits	Unsecured loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
Principal amount	1123.98	0	0	1123.98
Interest due but not paid	0	0	0	0
interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>1123.98</b>	<b>0</b>	<b>0</b>	<b>1123.98</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	280.00	0	0	280.00
Reduction-IDBI	25.75	0		25.75
LIC	190.47			190.47
<b>Net change</b>	<b>63.78</b>	<b>0</b>	<b>0</b>	<b>63.78</b>
<b>Indebtedness at the end of the financial year</b>			<b>0</b>	
Principal amount	1187.76	0	0	1187.76
Interest due but not paid	0	0	0	0
interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>1187.76</b>	<b>0</b>	<b>0</b>	<b>1187.76</b>



**VII. PENALTIES / PUNISHMENTS / COMPOUNDING OF OFFENCES – NIL**

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

By order of the Board of Directors

**R. Jagadeesan**  
Managing Director  
DIN: 01153985

**Malathi Jagadeesan**  
Director  
DIN: 00153952

Place: Salem  
Date: 24/07/2020





## Annexure III

### FORM NO. AOC.2

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

***(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)***

1. Details of contracts or arrangements or transactions not at arm's length basis

- (a) Name(s) of the related party and nature of relationship: NIL
- (b) Nature of contracts/arrangements/transactions: NIL
- (c) Duration of the contracts/arrangements/transactions: NIL
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: NIL
- (e) Justification for entering into such contracts or arrangements or transactions: NIL
- (g) Amount paid as advances, if any: NIL
- (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188: NIL

2. Details of material contracts or arrangement or transactions at arm's length basis

- (a) Name(s) of the related party and nature of relationship: NIL
- (b) Nature of contracts/arrangements/transactions : NIL
- (c) Duration of the contracts/arrangements/transactions NIL
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: NIL
- (e) Date(s) of approval by the Board, if any: NIL
- (f) Amount paid as advances, if any: NIL

**By order of the Board of Directors**

**R. Jagadeesan**  
**Managing Director**  
**DIN: 01153985**

**Malathi Jagadeesan**  
**Director**  
**DIN: 00153952**

**Place: Salem**  
**Date: 24/07/2020**



## ANNEXURE – IV

### REMUNERATION RATIO OF THE DIRECTORS / KEY MANAGERIAL PERSONNEL (KMP) / EMPLOYEES:

Pursuant to Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Companies (Particulars of Employees) Rules, 1975

1. The ratio of the remuneration of each Director to the median remuneration of the Employees of the Company for the financial year:

(Explanation: (i) the expression “median” means the numerical value separating the higher half of a population from the lower half and the median of a finite list of numbers may be found by arranging all the observations from lowest value to highest value and picking the middle one; (ii) if there is an even number of observations, the median shall be the average of the two middle values)

2. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary, or Manager, if any, in the financial year:

The ratio of remuneration of each Director to the Median Remuneration of all employees who were on the payroll of the Company and the percentage increase in remuneration of the Directors during the financial year 2019-20 are given below:

S. NO	Name	Designation	Percentage increase in remuneration	Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year
1	Mr. R. Jagadeesan	Managing Director	No Change	No Change
2	Ms. Malathi Jagadeesan	Non- Executive Director	NIL	NIL
3	Mr. M. Pugazendhi	Independent Director	NIL	NIL
4	Mr. Ashok P Shah	Independent Director	NIL	NIL
5	P. Rajasekaran	Chief Financial Officer	No Change	No Change
6	M. Harshini	Company Secretary	NA	NA

\*Ms. M. Harshini, Company Secretary was appointed from the board with effect from 01<sup>st</sup> march, 2020.

3. The percentage increase in the median remuneration of employees in the financial year: 50%

4. The number of permanent employees on the rolls of the Company: 13

5. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial



remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The percentage increase in the salaries of employees other than the managerial personnel in the last financial year is 50% on a cost to Company basis. The increment given to each individual employee is based on the employees' potential, experience as also their performance and contribution to the Company's progress over a period of time and also benchmarked against a comparable basket of relevant companies in India.

6. Affirmation that the remuneration is as per the Remuneration Policy of the Company:

It is affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other employees, adopted by the Company.

***The net worth as at March 31, 2020 was Rs. (269.36 Lakhs) and as at March 31, 2019 was Rs. (51.12 lakhs)***



## ANNEXURES TO BOARD'S REPORT ANNEXURE V

### REPORT ON CORPORATE GOVERNANCE

Pursuant to Schedule V(C) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a report on Corporate Governance is given below

#### 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company believes in abiding by the Code of Governance so as to be a responsible corporate citizen and to serve the best interests of all the stakeholders, viz., the employees, customers, vendors and the society at large. The Company seeks to achieve this goal by being transparent in its business dealings, by disclosure of all relevant information in an easily understood manner, and by being fair to all stakeholders, by ensuring that the Company's activities are managed by a professionally competent and independent Board of Directors.

#### 2. BOARD OF DIRECTORS

As on 31<sup>st</sup> March, 2020, Your Company's Board comprised of four Directors. The board is comprised with One Executive Director, One Non-Executive Director and Two Independent Directors (50% of the board is composed with Independent Directors). As per Regulation 17(1) (a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the board is composed with a women director.

#### COMPOSITION OF BOARD

Mr. R. Jagadeesan, Executive Director
Ms. Malathi Jagadeesan, Non-Executive Director
Mr. Ashok P shah, Independent Director Mr. M. Pugazendhi, Independent Director

#### NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS AND DATES ON WHICH HELD AND DIRECTOR'S ATTENDANCE AT BOARD MEETINGS DURING THE FINANCIAL YEAR 2019 – 2020

Six board meetings were held for the year ended 31<sup>st</sup> March, 2020.

29th May, 2019, 10th August, 2019, 11<sup>th</sup> November, 2019, 06<sup>th</sup> January, 2020, 12<sup>th</sup> February, 2020 and 28<sup>th</sup> February, 2020

Names of the Director	No. of Board Meetings attended during the year 2019-2020
Mr. R. Jagadeesan	6



Ms. Malathi Jagadeesan	6
Mr. Ashok P Shah	3
Mr. M. Pugazendhi	6

Every director has personally attended all the board meetings. Certificates have also been obtained from the Independent Directors confirming their position as Independent Directors on the Board of the Company in accordance with Section 149 of the Companies Act, 2013 read with Regulation 16(1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**NUMBER OF BOARD OF DIRECTORS OR BOARD COMMITTEES INCLUDING THAMBBI MODERN SPINNING MILLS LIMITED IN WHICH THE DIRECTOR IS A CHAIRMAN / MEMBER AS FOLLOWS**

Name of the Director	No. of Directorship	No. of committees in which Chairman / Member	
		Chairman	Member
Mr. R. Jagadeesan	3	NIL	NIL
Ms. Malathi Jagadeesan	4	1	3
Mr. Ashok P Shah	NIL	NIL	3
Mr .M. Pugazendhi	NIL	2	3

**DISCLOSURE OF RELATIONSHIP BETWEEN DIRECTORS INTER-SE**

Our board consists of four directors. Out of the four, two director's i.e. Mr. R. Jagadeesan, Managing Director and Ms. Malathi Jagadeesan, Non-Executive Director has spouse relationship. And other two are independent directors, Mr. Ashok P Shah and Mr. M. Pugazendhi who do not have any relationship with other members of the board.

**CATEGORY OF DIRECTORSHIP IN OTHER COMPANIES LISTED ON RECOGNIZED STOCK EXCHANGE(S):**

Name of other companies listed at the recognized Stock Exchange(s) in which the Directors of the Company hold position of Directorship (along with category of Directorship), as on 31st March, 2020, are as under:

Names of the Director	Name of other companies listed at the recognized Stock Exchange(s) in which hold Directorship*	Category of Directorship
Mr. R. Jagadeesan	Nil	NA
Ms. Malathi Jagadeesan	Nil	NA
Mr. Ashok P Shah	Nil	NA
Mr. M. Pugazendhi	Nil	NA



**THE DETAILS OF SHARES HELD BY THE DIRECTORS OF THE COMPANY IN THEIR INDIVIDUAL NAMES AS ON 31<sup>ST</sup> MARCH, 2020 ARE FURNISHED BELOW:**

<b>Name of the Directors</b>	<b>No. of Equity Shares Held</b>	<b>Designation</b>
Mr. R. Jagadeesan	32,84,995	Managing Director
Ms. Malathi Jagadeesan	5,68,530	Non-Executive Director
Mr. Ashok P Shah	0	Independent Director
Mr. M. Pugazendhi	200	Independent Director

**NUMBER OF SHARES AND CONVERTIBLE INSTRUMENTS HELD BY NON-EXECUTIVE DIRECTORS –**

None of the members of the board hold non-convertible instruments.

**CRITERIA OF INDEPENDENCE OF INDEPENDENT DIRECTORS:**

Mr. Ashok P Shah and Mr. M. Pugazendhi Independent Directors, have furnished a declaration that they meet the criteria of independence as laid down under Section 149 (6) of the Companies Act and Regulation 16 (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

**WEB LINK WHERE DETAILS OF FAMILIARIZATION PROGRAMS IMPARTED TO INDEPENDENT DIRECTORS IS DISCLOSED –**

Our Company is exempted under regulation 15(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**Details of the directors seeking re-appointment in the forthcoming annual general meeting (in pursuance of Regulation 36 of the SEBI (LODR) Regulations, 2015 and any amendments thereto)**

Name of the Director	Ms. Malathi Jagadeesan	Mr. Ashok Pukhraj Shah	Mr. Muthu Udayar Pugazhendhi
Mode of Appointment	Reappointment as retires by rotation	Reappointment as Independent Director for second term	Reappointment as Independent Director for second term
Date of Birth	27-04-1954	28-10-1962	25-06-1965
Number of Shares held as on 31 <sup>st</sup> March, 2020	5,68,530	Nil	200
Qualifications	BSC	B COM	BE MECH
Experience in special functional Area	25 YEARS	20 YEARS	20 YEARS
Directorship held in other Companies including Listed entities as on	1. SUNRISE JEWELLERIES PRIVATE LIMITED, CHENNAI	Nil	Nil



(March 31, 2020)	2. JAGDEESH APARTMENTS PRIVATE LIMITED, SALEM  3. MANGAIYAAR BENEFIT FUND LIMITED, SALEM		
Chairman/Membership in Committees of other Companies	Nil	Nil	Nil

None of the Directors are related to each other

### Chart setting out the skills / expertise / competence of the Board of Directors:

While evaluating the Board as a whole, it was ensured that the existing board members have relevant core skills/expertise /competencies as required in the context of its business(es) and sector(s) to function effectively.

Skill	Description
Leadership/Strategy	Leadership/ Experience of playing leadership roles Strategy in large businesses, with competencies around strategy development & implementation, sales & marketing, business administration/operations and Organization and people management.
Financial	Practical knowledge and experience in Corporate Finance, accounting and reporting and internal financial controls, including strong ability to asses financial impact of decision making and ensure profitable and sustainable growth.
Governance	Strong understanding of and experience in directing the management in the best interests of the Company and its stakeholders and in upholding high standards of governance.
Regulatory	Strong expertise and experience in corporate law and regulatory compliance in India and overseas (including industry specific laws).

### 3. AUDIT COMMITTEE

#### COMPOSITION

The Audit Committee comprises of Mr. M. Pugazendhi, Independent Director as Chairman, Mr. Ashok P Shah, Independent Director and Ms. Malathi Jagadeesan, Non-executive Director as Members.

All the members of the Audit Committee are financially literate and one-half of the members have expertise in accounting/financial management.



## MEETINGS AND ATTENDANCE DURING THE YEAR

The Audit Committee met Four times during the year and the time gap between any two meetings did not exceed more than four months.

Date of Meetings	Total No. of Members	No. of Members Present
29.05.2019	3	3
10.08.2019	3	3
11.11.2019	3	3
12.02.2020	3	3

Besides this, another meeting of the Audit Committee was held on 17.06.2020 at which meeting the Audited Annual Accounts for the year ended 31<sup>st</sup> March, 2020, were placed before the Committee for consideration. Further during this year all the recommendations of the Audit committee have been accepted by the Board.

## 4. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Committee consists of Ms. Malathi Jagadeesan, Non-Executive Director as Chairman, Mr. M. Pugazendhi, Independent Director and Mr. Ashok P Shah, Independent Director as Member. The Committee considers and resolves the grievances of the security holders.

The Committee also reviews the manner and time-lines of dealing with complaint letters received from Stock Exchanges/ SEBI/ Ministry of Corporate Affairs etc., and the responses thereto. Based on the delegated powers of the Compliance In charge approves the transfers, transmissions and transposition of securities on a regular basis and the same is reported at the next meeting of the Committee, normally held periodically.

### Meetings and Attendance

Date of Meeting	Total No. of Members	No. of Members Present
27.06.2019	3	3
16.11.2019	3	3

During the year no letters/complaints were received from investors and none of the complaints is pending as on date.

The Stakeholders Relationship Committee also reviewed the redressal system of the Company. There was no request for Share Transfer and Dematerialization pending as on 31st March, 2020.

The Company has designated an e-mail id exclusively for Investor Relations viz., [tmsml@thambbimodern.com](mailto:tmsml@thambbimodern.com)

## 5. NOMINATION AND REMUNERATION COMMITTEE

### BRIEF DESCRIPTION OF TERMS OF REFERENCE

- Formulate Remuneration Policy and a policy on Board Diversity.





- Formulate criteria for evaluation of Directors and the Board.
- To ensure that the Remuneration Policy shall also include the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.
- Identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every Director's performance.
- To ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully; relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

## COMPOSITION

The Nomination and Remuneration Committee comprises of Mr. M. Pugazendhi, Independent Director as Chairman, Mr. Ashok P. Shah, and Independent Director and Ms. Malathi Jagadeesan, and Non-executive Director as Members of the Committee.

## MEETINGS AND ATTENDANCE DURING THE YEAR

Date of Meeting	Total No. of Members	No. of Members Present
29.05.2019	3	3
28.02.2020	3	3

## PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS

The performance evaluation criteria for independent directors are determined by the Nomination and Remuneration committee. An indicative list of factors that may be evaluated include participation and contribution by a director, commitment, effective deployment of knowledge and expertise, effective management of relationship with stakeholders, integrity and maintenance of confidentiality and independence of behaviour and judgement.

## 5. REMUNERATION TO DIRECTORS

### DETAILS OF THE REMUNERATION FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

Name of the Director	Category	Salary	Commission	Sitting fees	Perquisites and allowances	ESPS
Mr. R. Jagadeesan	Managing Director	15,00,000	NIL	NIL	NIL	NIL
Ms. Malathi	Non- Executive	NIL	NIL	6000	NIL	NIL



Jagadeesan	Director					
Mr. M. Pugazendhi	Independent Director	NIL	NIL	6000	NIL	NIL
Mr. Ashok P Shah	Independent Director	NIL	NIL	3000	NIL	NIL

Only sitting fees is payable to Non-executive and Independent Directors for the meetings of the Board attended by them.

## 6. CERTIFICATIONS

MD and CFO Certification under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchange have been submitted to the Board and form part of this Annual Report

## 7. DISCLOSURE ON MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS

There have been no materially significant related party transactions with the Company's promoters, directors, the management, their subsidiaries or relatives which may have potential conflict with the interests of the Company at large. The Company has also formulated a policy on dealing with the Related Party Transactions and necessary approval of the audit committee and Board of directors were taken wherever required in accordance with the Policy.

Full disclosure of related party transactions as per Accounting Standard 18 issued by the Institute of Chartered Accountants of India is given Notes to Financial Statements. All the transactions covered under related party transaction were fair, transparent and at arm's length.

## 8. COMPLIANCES

There have been instance of delay in compliance by the Company on matters related to SEBI and penalties have been imposed on the Company by the BSE Limited as follows.

Reg. of SEBI	Period of Non compliance	Fine amount (Rs.)	Remarks
Reg 34 of SEBI (LODR)	Non filing of Annual Report for Two consecutive years March 2017 & March 2018	Total Basic fine of RS.18,85,260 plus GST	The Company initially paid fine of Rs.6,02,629.65 and submitted letter for waiver of fine. BSE limited vide its letter dated 28.11.2019 partially accepted the waiver letter and requested to pay the fine of Rs.6,06,083.81
Reg 14 of SEBI (LODR)	Non-Payment of Listing dues to BSE Limited for the year 2019-20-	Later waived the penalty amount to Rs. 1208713.46	The Company paid the same on 26.12.2019 totaling amount Rs. 1208713.46



## 9. WHISTLE BLOWER POLICY

In compliance with Section 177 (9) of the Companies Act, 2013 and pursuant to the Listing Agreement, the Board of Directors of the Company have adopted the Vigil Mechanism/Whistleblower Policy for directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. This policy also provides for adequate safeguards against victimization of director(s)/employee(s) who avail of the mechanism and also provide for direct access to the Chairperson of the Audit Committee.

This Policy covers disclosures or formal reporting by the whistleblowers of any unethical and improper practices and events which have taken place/ suspected to have taken place. This policy provides for transparency in dealings and timely and regular response of whistleblower investigations. The approved whistleblower policy is available on the Company's website <http://www.thambbimodern.com/>

## 10. DETAILS OF COMPLIANCE WITH MANDATORY REQUIREMENTS AND ADOPTION OF THE NON-MANDATORY REQUIREMENTS

The Company has implemented all mandatory requirements of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The non-mandatory requirements have been adopted to the extent and in the manner as stated under the appropriate headings detailed below:

### (i) The Board

An executive Chairman heads the Board. Independent Directors possess the requisite qualification and experience to contribute effectively to the Company in their capacity as independent director.

### (ii) Shareholder rights:

The unaudited quarterly results of the Company are uploaded in the website of the Company. These are not sent individually to the shareholders.

### (iii) Audit Qualifications

The audited financial statements of the Company are unqualified.

### (iv) Separate posts of Chairman and CEO

The Company has separate posts of Chairman and CEO

## 11. MEANS OF COMMUNICATION

The Company's quarterly results are published in 'Makkalkural' and 'Trinity Mirror', and are displayed on its website [www.thambbimodern.com](http://www.thambbimodern.com). Official news releases are sent to Stock Exchanges. Your Company has not been requested by any institutional investors / analysts for any detailed presentations on the Company's unaudited quarterly as well as audited annual financial results.



## 12. GENERAL SHARE HOLDERS INFORMATION

The Company's website [www.thambbimodern.com](http://www.thambbimodern.com) contains a separate dedicated section 'Investor Relations' where shareholders' information is available. A separate section has been annexed to the Annual Report furnishing various details viz., previous annual General Meeting, its time and venue, share price movement, distribution of shareholding, location of development centre, means of communication, etc., for shareholders reference.

## 14. ANNUAL GENERAL MEETINGS AND EXTRAORDINARY GENERAL MEETING

The details of the Annual General Meetings / Extraordinary General Meeting held in the last three years are as follows:

Financial Year	Date & Time	Location	Special Resolution
2018 -19	20.06.2019 10.30 A.M	Unit II, TNEB Sub Station,Udayapatti By-pass road, Kamaraj Nagar Colony Post, Salem - 636014	Re-appointment of Sri.R.Jagadeesan as Managing Director
2017 -18	27.12.2018 11.00 A.M	Unit II, TNEB Sub Station,Udayapatti By-pass road, Kamaraj Nagar Colony Post, Salem - 636014	NIL
2016 -17	31.08.2017 10.00 A.M	Unit II, TNEB Sub Station,Udayapatti By-pass road, Kamaraj Nagar Colony Post, Salem - 636014	NIL

No resolution was passed through postal ballot during the year under review.

### Following resolutions were passed at the Annual General Meeting held for FY 2018-19:

Items	Type of Resolutions
Adoption of financial Statements	Ordinary Resolution
Reappoint Ms. Malathi Jagadeesan who retires by rotation	Ordinary Resolution
Appointment of Statutory Auditors	Ordinary Resolution
Re-appointment of Sri. R. Jagadeesan as Managing Director.	Special Resolution

## 15. Risk Management

Periodic assessments are made to identify the risk areas and management is briefed on the risks in advance to enable the Company to control risk through a properly defined plan. The risks are classified as financial risks, operational risks and market risks. The risks are taken into account while preparing the annual business plan for the year. The Board is also periodically informed of



the business risks and the actions taken to manage them. The Company also looks into the following:

- Provide an overview of the principles of risk management
- Explain approach adopted by the Company for risk management
- Define the organizational structure for effective risk management
- Develop a “risk” culture that encourages all employees to identify risks and associated opportunities and to respond to them with effective actions.
- Identify, assess and manage existing and new risks in a planned and coordinated manner with minimum disruption and cost, to protect and preserve Company’s human, physical and financial assets.

#### **15. Code of conduct for the board of directors and the senior management**

The standards for business conduct provide that the directors and the senior management will uphold ethical values and legal standards as the Company pursues its objectives, and that honesty and personal integrity will not be compromised under any circumstances. A copy of the said code of conduct is available on the website <http://www.thambbimodern.com/>. The Board members and senior management personnel have affirmed compliance with the code of conduct for the Financial Year 2019-2020.

#### **16. Certificate from Practicing Company Secretary:**

The Company has received a certificate from the Secretarial Auditor of the Company stating that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board / Ministry of Corporate Affairs or any such statutory authority. The certificate is enclosed with this report as Annexure.

#### **17. Fees paid to Statutory Auditor on a consolidated basis:**

During the year, the Company has paid Rs 88,500/- to the statutory Auditors for all services received by the listed entity on a consolidated basis.

#### **18. List of Credit Rating: Not applicable to the Company**



## GENERAL SHAREHOLDER INFORMATION

a)	<b>42<sup>nd</sup> Annual General Meeting for the financial year ended 31<sup>st</sup> March, 2020</b>	
	Day, Date and Time	Friday, 28 <sup>th</sup> Day of August, 2020 at 10.00 am
	Medium	Through Video Conference
b)	Dividend payment date	NIL
c)	Date of Book Closure	From 22 <sup>nd</sup> August, 2020 (Saturday) till 28 <sup>th</sup> August, 2020 (Friday) (both days inclusive)
d)	Listing on stock exchange	Bombay Stock Exchange
	Payment of listing fees	Listing fees as applicable has been paid.
e)	Stock Code	514484

## MARKET PRICE DATA – COMPANY SHARE PRICE AND BSE SENSEX

Month	Company Share Price		
	High	Low	Volume (No of shares traded)
<b>Trading in the Securities of the Company has been suspended w.e.f 22.04.2019 and the same was revoked w.e.f 15.07.2020</b>			

*[Source: This information is compiled from the data available from the websites of BSE]*

## SHAREHOLDING PATTERN AS ON 31<sup>ST</sup> MARCH, 2020

Category Code	Category of Shareholders	Number of Shareholders	Total Number of Shares	As a % of A+B+C
<b>A</b>	<b>Shareholding of Promoter and Promoter Group</b>			
1	Indian	4	4320295	74.97
2	Foreign	0	0	0
<b>Total Shareholding of Promoter and Promoter Group</b>		<b>4</b>	<b>43,20,295</b>	<b>74.97</b>
<b>B</b>	<b>Public Shareholding</b>			
1	Institutions	3	14200	0.25
2	Non-institutions	4440	1428275	24.78
<b>Total Public Shareholding</b>		<b>4443</b>	<b>14,42,475</b>	<b>25.03</b>
<b>C</b>	<b>Shares held by Custodians and against which Depository Receipts have been issued</b>	0	0	0
<b>TOTAL (A+B+C)</b>		<b>4447</b>	<b>57,62,770</b>	<b>100.00</b>



## DISTRIBUTION OF SHAREHOLDING AS ON 31<sup>ST</sup> MARCH, 2020

No. of. shares	Shareholders		No. of. Shares	
	Number	%	Number	%
Upto – 100	3775	81.31	336372	5.84
101 - 500	618	13.31	181142	3.14
501 -1000	131	2.82	103575	1.80
1001-2000	60	1.29	89577	1.55
2001-3000	16	0.34	39059	0.68
3001-4000	12	0.26	38302	0.66
4001-5000	5	0.11	23093	0.40
5001-10000	10	0.21	73662	1.28
10001 and above	16	0.35	4877988	84.65
<b>Total</b>	<b>4643</b>	<b>100.00</b>	<b>5762770</b>	<b>100.00</b>

## LIST OF TOP 10 SHAREHOLDERS AS ON 31ST MARCH 2020

S.No	Name of Shareholder	No of shares held as on 31.03.2020	% of holding
1	R JAGADEESAN	3284995	57
2	MALATHI JAGADEESAN	568530	9.86
3	SALEM RAMAMURTHY MURALIMANO HAR	292000	5.06
4	J RAJALAKSHMI	256820	4.45
5	J RAMKUMAR	209950	3.64
6	RAJU BHANDARI	120228	2.085
7	DILIP KUMAR SURANA	22826	0.39
8	RAJENDRAN. K	19981	0.34
9	FATEMA HUSSAINI BHARMAL JT1 : HUSSAINI JIWAJI BHARMAL	18100	0.31
10	SUBODH RAJARAM MANJREKAR	15100	0.26

## Dematerialization of shares

Category	No. of Shares	Percentage %
PHYSICAL	393679	6.83
NSDL	5202649	90.28
CDSL	166442	2.89
<b>TOTAL</b>	<b>5762770</b>	<b>100</b>



## **REGISTRAR AND SHARE TRANSFER AGENT**

### **CAMEO CORPORATE SERVICES LIMITED**

Subramanian Building, V Floor,  
No.1, Club House Road  
Chennai – 600 002  
Contact No. 044 - 28461073

CAMEO CORPORATE SERVICES LIMITED are the Registrars for the demat segment and also the share transfer agents of the company, to whom communications regarding share transfer and dematerialization requests must be addressed. All matters connected with share transfer, transmission, dividend payment is handled by the share transfer agent. Share transfers are processed within 15 days of lodgement. A Practicing Company Secretary certifies on a half yearly basis timely dematerialization of shares of the company.

### **SHARE TRANSFER SYSTEM**

The Board has authorized Ms. M. Harshini, Company Secretary of the Company in charge to approve all transfer, transmission and transposition of securities.

### **REQUEST TO INVESTORS**

Shareholders are requested to follow the general safeguards/procedures as detailed hereunder in order to avoid risks while dealing in the securities of the Company.

- Shareholders are requested to convert their physical holding to demat/electronic form through any of the DPs to avoid any possibility of loss, mutilation etc., of physical share certificates and also to ensure safe and speedy transaction in securities.
- Shareholders holding shares in physical form, should communicate the change of address, if any, directly to the Registrars and Share Transfer Agent of the Company.
- It has become mandatory for transferees to furnish a copy of Permanent Account Number for registration of transfer of shares held in physical mode.
- Shareholders holding shares in physical form who have not availed nomination facility and would like to do so are requested to avail the same, by submitting the nomination in Form No. SH-13. The form will be made available on request. Those holding shares in electronic form are advised to contact their DPs.
- As required by SEBI, it is advised that the shareholders furnish details of their bank account number and name and address of their bank for incorporating the same in the dividend warrants. This would avoid wrong credits being obtained by unauthorized persons.





## Reconciliation of Share Capital Audit

A quarterly audit was conducted by a Practicing Company Secretary, reconciling the issued and listed capital of the Company with the aggregate of the number of shares held by investors in physical form and in the depositories and the said certificates were submitted to the stock exchanges within the prescribed time limit. As on 31st March 2020 there was no difference between the issued and listed capital and the aggregate of shares held by investors in both physical form and in electronic form with the depositories. 57,62,770 Equity shares representing 100% of the paid up equity capital have been dematerialized as on 31st March 2020

## DEMATERIALIZATION OF SHARES AND LIQUIDITY

Shares of the Company can be held and traded in electronic form. As stipulated by SEBI, the shares of the Company are accepted in the Stock Exchanges for delivery only in dematerialization form.

Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity – NIL

Disclosure of commodity price risks or foreign exchange risk and commodity hedging activities – NIL

## ADDRESS FOR COMMUNICATION

Registrar & Share Transfer Agents (R&TA) (matters relating to Shares, Dividends, Annual Reports)	Cameo Corporate Services Limited Subramanian Building, V Floor, No.1, Club House Road Chennai – 600 002 Contact No. 044 - 28461073
For any other general matters or in case of any difficulties/ grievances	Mr. P. Rajasekaran Chief Financial Officer Omalur Road, Jagir Ammapalayam, Salem – 636302 T : +91 0427 2345425
Website address	<a href="http://www.thambbimodern.com">www.thambbimodern.com</a>
Email ID of Investor Grievances Section	<a href="mailto:tmsml@thambbimodern.com">tmsml@thambbimodern.com</a>
Name of the Compliance Officer	Ms. M. Harshini, Company Secretary

## A. DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM WHISTLE BLOWER POLICY, AND AFFIRMATION THAT NO PERSONNEL HAVE BEEN DENIED ACCESS TO THE AUDIT COMMITTEE.

Pursuant to Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 15 (2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors had approved the Policy on Vigil Mechanism/ Whistle Blower and the same was hosted on the website of the Company.



This Policy enables stakeholders (including Directors and employees) to report unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct. The policy provides adequate safeguards against victimization of director(s)/ employee(s) and direct access to the chairman of the audit committee. The Protected Disclosures, if any reported under this Policy will be appropriately and expeditiously investigated by the chairman of the audit committee.

Your company hereby affirms that no director/ employee have been denied access to the chairman of the audit committee and that no complaints were received during the year.

b. Details of compliance with mandatory requirements and adoption of the non- Mandatory requirements of this clause.

The company has adopted all the mandatory requirements as per the listing agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The company has not adopted non-mandatory requirements as stipulated in Part E of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations.

Web link where policy for determining 'material' subsidiaries is disclosed – Nil

Web link where policy on dealing with related party transactions – Nil.

Disclosure of commodity price risks and commodity hedging activities - Nil

Non-compliance of any requirement of corporate governance report of sub-paras (2) to (10) above, with reasons thereof shall be disclosed.

Every requirement has been complied except non applicable/mandatory requirement. Hence there is no Non-compliance of any requirement of corporate governance report of sub-paras (2) to (10) above.

Subsidiary Companies - Nil

Material Subsidiary – Nil

Disclosure with respect to demat suspense account/unclaimed suspense account – Nil

## **INDEPENDENT DIRECTORS**

Pursuant to the provisions of Section 149 of the Companies Act, 2013, the Independent Directors of the Company have been reappointed for a period of 3 years from the date of ensuing Annual General meeting. Pursuant to Schedule IV of the Companies Act, 2013, every Independent Director has been issued a letter of appointment containing the terms and conditions of his/her appointment. The terms and conditions of appointment have been posted on the website of the Company at [www.thambbimodern.com](http://www.thambbimodern.com).



## **SEPARATE MEETING OF INDEPENDENT DIRECTORS**

In accordance with the provisions of Schedule IV of the Companies Act, 2013, a separate meeting of the Independent Directors was held during the year on February 12, 2020 without the attendance of Non-Independent Directors and members of management, inter alia to:

- Review the performance of the Non-Independent Directors and the Board as a whole;
- Review the performance of the Managing Director of the Company, taking into account the views of the executive directors and non-executive directors;
- Assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Mr. M. Pugazendhi and Mr. Ashok P Shah, Independent directors of the company convened a meeting of independent directors and discussed matters pertaining to the Company's affairs and functioning of the Board and presented their views to the Managing Director for appropriate action.



## ANNEXURE VI

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

#### a. Industry structure and developments

**Structure:** - The Company has involved in Rental and property development activities. However it has obtained Rs.192.55 lacs of Rental Receipts and other income.

**Developments:** - The buildings of the Company have been leased out to generate income.

#### b. Opportunities and Threats

**Opportunity:** - The Company has started concentrating on leasing its existing land & building.

#### c. Segment-wise or product-wise performance – Nil

#### d. Outlook

During the financial year 2019 – 2020, the Company has revenue from operations of Rs.191.26 Lacs as against Rs. 248.29 Lacs in the financial year 2018 - 2019

#### e. Risks and concerns

The Company is keep on assessing and minimizing risk and monitors it continuously

#### f. Internal control systems and their adequacy

The Company is keep on reviewing internal audit function, discussion on internal audit reports, reviewing of vigil mechanism, internal control systems and review of risk management policies especially enterprise level risk management.

#### g. Discussion on financial performance with respect to operational performance Financial Statement for the financial year 2019 – 2020

Particulars	2019 – 2020 (In Lacs)	2018 – 2019 (In Lacs)
<b>Income</b>		
Revenue from operations	191.26	248.29
Other Income	1.29	2.73
<b>Total</b>	<b>192.55</b>	<b>251.02</b>
Employee benefit expenses	58.05	75.64
Finance costs	181.71	167.00
Depreciation	63.27	60.45



Other Expenses	87.09	154.31
<b>Total</b>	<b>390.12</b>	<b>457.40</b>
Profit/(Loss) before exceptional and extraordinary items and tax	-197.57	-206.38
Previous Year Adjustments	0.00	20.98
Profit/(Loss) before tax	-197.57	-185.40
<b>Profit (Loss) for the period from continuing operations</b>	<b>-197.57</b>	<b>-185.40</b>

#### Results in Operations:-

During the financial year 2019 – 2020, the Company has revenue from operations of Rs.192.55 Lacs as against Rs. 248.29 Lacs in the financial year 2018 - 2019.



## **DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT**

This is to confirm that the company has adopted a code of conduct for its employees including the Managing Director and Executive Directors. In addition, the company has adopted a code of conduct for its Non-Executive Directors and Independent Directors. These codes are available on the company's website.

I confirm that the company has in respect of the year ended 31<sup>st</sup> March, 2020, received from the senior management team of the company and the member of the board a declaration of compliance with the code of conduct as applicable to them.

For the purpose of this declaration, senior management team means the chief financial officer cum Compliance Officer as on 31<sup>st</sup> March, 2020.

**Place: Salem**

**Date: 17.06.2020**

**For Thambbi Modern Spinning Mills Limited**

**R. Jagadeesan**  
**Managing Director**  
**Din: 01153985**

**Malathi Jagdeesan**  
**Director**  
**Din: 00153952**



**CERTIFICATION BY MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER TO THE BOARD PURSUANT TO REGULATION 17(8) AND PART B OF SCHEDULE II OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

We, R. Jagadeesan, Managing Director and P. Rajasekaran, Chief Financial Officer of M/s Thambbi Modern Spinning Mills Limited, certify that:

- A. we have reviewed the financial statements and the cash flow statement for the year ended 31<sup>st</sup> March, 2020 and that to the best of our knowledge and belief:
1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  2. These statements together present a true and fair view of the of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violate of the Company's Code of Conduct.
- C. We accept responsibility for establishing and maintaining internal controls system for financial reporting and that we have evaluated the effectiveness of Internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Auditors and to the Audit Committee that no:
1. significant changes in internal control over financial reporting during the year;
  2. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements and;
  3. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**Place: Salem**

**Date: 17.06.2020**

**For Thambbi Modern Spinning Mills Limited**

**P. Rajasekaran**  
**Chief Financial Officer**  
**PAN: ADDPR3091C**

**R. Jagadeesan**  
**Managing Director**  
**DIN: 01153985**



**PRACTISING CHARTERED ACCOUNTANT'S REPORT ON CORPORATE GOVERNANCE TO  
THE MEMBERS OF THAMBBI MODERN SPINNING MILLS LIMITED**

To,

**The Members  
THAMBBI MODERN SPINNING MILLS LIMITED**

We have examined the compliance of conditions of Corporate Governance by THAMBBI MODERN SPINNING MILLS LIMITED for the year ended 31st March, 2020 as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable amendments from time to time (as was applicable from effective) with the stock exchange.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied in general with the conditions of corporate governance as stipulated in the above mentioned Listing Agreement.

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

**For R. SUNDARARAMAN & CO.,  
Chartered Accountants  
(FRN : 004129S)**

**S. SRIRAM  
Partner**

**M. No : 202813**

**UDIN: 20202813AAAADP7030**

**Place : Salem**

**Date : 17.06.2020**





## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members of  
**THAMBBI MODERN SPINNING MILLS LIMITED**  
**OMALUR ROAD, JAGIR AMMAPALAYAM,**  
**SALEM-636302**

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of M/s THAMBBI MODERN SPINNING MILLS LIMITED having CIN: L17111TZ1977PLC000776 and having registered office at OMALUR ROAD, JAGIR AMMAPALAYAM, SALEM-636302 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr.No	Name of Director	DIN	Date of appointment in Company
1	MALATHI JAGADEESAN	00153952	10/10/1994
2	ASHOK PUKHRAJ SHAH	01137579	08/06/2002
3	MUTHU PUGAZHENDHI	01137623	08/06/2002
4	RAMASAMY JAGADEESAN UDAYAR	01153985	16/09/1978

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Chennai  
Date: 25/07/2020

Name: R. Thamizhvanan  
(Practising company secretary)  
Membership No.:11151  
CP No.: 3721  
UDIN: A011151B000503830



## INDEPENDENT AUDITOR'S REPORT

To  
**The Members of**  
**THAMBBI MODERN SPINNING MILLS LIMITED**

### 1. Opinion

We have audited the accompanying Financial Statements of **M/s. Thambbi Modern Spinning Mills Limited** ("the Company"), which comprise the Balance Sheet as at 31 March 2020, the Statement of Profit and Loss for the year then ended and a summary of the Significant Accounting Policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, its Loss for the year ended on that date.

### 2. Basis of Opinion

We conducted our audit in accordance with the standards on auditing (SAs) specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statement.

### 3. Information other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The Other information comprises of the Board's Report including its Annexures, and other report placed by the management before the members.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



#### **4. Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the companies(Accounting Standards) Amendment Rules, 2016. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management and Board of Directors are 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.

#### **5. Auditor's Responsibility for the Audit of the Financial Statements**

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

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

- a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If



we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

## 6. Report on Other Legal and Regulatory Requirements

- I. As required by the Companies (Auditor's Report) Order, 2020, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure 'A', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- II. As required by Section 143 (3) of the Act, we report that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The Balance Sheet and the Statement of Profit and Loss dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014;
  - e) On the basis of the written representations received from the directors as on 31st March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2020 from being appointed as a director in terms of Section 164(2) of the Act;
  - f) Since the Company's turnover as per last audited financial statements is less than Rs. 50 crores and its borrowings from Banks and Financial Institutions at any time during the year is less than Rs 25 crores, the Company is exempted from getting an audit opinion with respect to the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls vide notification dated June 13, 2017;
  - 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 our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act and



- 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 our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would have any impact on its financial position;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were having any material foreseeable losses; and
  - iii. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31<sup>st</sup> March 2020.

**Place : Chennai**

**Date : June 17, 2020**

**For R. SUNDARARAMAN & CO.,  
Chartered Accountants  
(FRN: 004219S)**

**S. SRIRAM  
Partner  
Membership No : 202813  
UDIN NO : 20202813AAAADP7030**



## ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in Paragraph 1 under "Report on Other Legal and Regulatory Requirements" Section of our report of even date)

- 1) In respect of fixed assets :
  - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b) The fixed assets have been physically verified by the management during the year in accordance with the regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
  - c) The title deeds of immovable properties are held in the name of the Company.
  - d) The Company has not revalued its tangible or intangible assets or both during the year.
  - e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- 2) In respect of Inventory :
  - a) In our opinion and according to the information and explanations given to us, the Company does not hold any stock of inventory and therefore the provisions of clause ii(a) of the Companies (Auditors Report) Order 2020 is not applicable.
  - b) The Company does not have any working capital facility with Banks.
- 3) The Company has not made investments in, provided any guarantee or security or granted loans or advances in the nature of loans, both secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- 4) The Company has not granted loans, made investments, provided guarantees and security and therefore the provisions of clause iv of Companies (Auditor's Report) Order 2020 are not applicable.
- 5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under are not applicable to the Company.
- 6) We were informed that the Central Government has not prescribed the maintenance of cost records under sub section (1) of Section 148 of the Companies Act, 2013, in respect of the activities carried on by the Company.
- 7) In respect of statutory dues.
  - a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income tax, sales tax, custom duty, excise duty, cess, service tax and other material statutory dues applicable to it.
  - b) According to the information and explanations given to us, no undisputed amounts payable in respect of goods and services tax, provident fund, employees state insurance, income tax, sales



tax, custom duty, excise duty, service tax and cess were in arrears, as at 31<sup>st</sup> March, 2020 for a period of more than six months from the date they became payable.

- c) According to the information and explanations given to us, there are no amounts payable in respect of goods and services tax, income tax, sales tax, custom duty, excise duty, service tax and cess, which have not been deposited on account of any dispute.
- 8) There are no transactions not recorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
  - 9) In respect of Borrowings :
    - a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
    - b) The term loans were applied for the purpose for which the loans were obtained.
    - c) No funds raised on short term basis have been utilised for long term purposes.
    - d) The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associated or joint ventures.
    - e) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
  - 10) In respect of IPO and further public offer :
    - a) As per the records of the Company and information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments). The Company has also not taken any term loans.
    - b) The Company has not made any preferential allotment or private placement of shares or convertible debentures during the year.
  - 11) In respect of fraud :
    - a) In our opinion and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit that causes the financial statements to be materially misstated.
    - b) No report under sub-section (12) of section 143 of the Companies Act has been filed by the Auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
    - c) No whistle blower complaints have been received during the year by the Company.
  - 12) The Company is not a Nidhi Company and therefore the provisions of clause xii of Companies (Auditor's Report) Order 2020 are not applicable.
  - 13) The transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
  - 14) The requirement for Internal Audit is not mandatory for the Company as per Section 138 of the Companies Act, 2013 and Rule 13 of Companies (Accounts) Rules, 2014 and therefore the provisions of clause xiv of the Companies (Auditor's Report) Order 2020 are not applicable.



- 15) The Company has not entered in to any non cash transactions with directors or persons connected with him and therefore the provisions of clause xv of Companies (Auditor's Report) Order 2016 are not applicable.
- 16) In respect of Registration under RBI Act, 1934
- The Company is not required to be registered under Section 45-IA if the Reserve Bank of India Act, 1934 and therefore the provisions of clause xvi of Companies (Auditors Report) Order 2016 are not applicable.
  - The Company has not conducted any Non Banking Financial or Housing Finance Activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
  - The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.
  - The Group does not have more than one CIC as part of the Group.
- 17) The Company has incurred cash losses in the financial year and in the immediately preceding financial year. The cash losses for the year is Rs. 1,34,29,827/-.
- 18) There has been no resignation of the statutory auditors during the year.
- 19) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, we are 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) Corporate Social Responsibility (CSR) as specified under Section 135 of the Companies Act, 2013 is not applicable for the Company.
- 21) There are no qualifications or adverse remarks in the Companies (Auditor's Report) Order (CARO) report.

**Place : Chennai**

**Date : June 17, 2020**

**For R. SUNDARARAMAN & CO.,  
Chartered Accountants  
(FRN: 004219S)**

**S. SRIRAM  
Partner  
Membership No : 202813  
UDIN NO : 20202813AAAADP7030**





THAMBBI MODERN SPINNING MILLS LIMITED				
STATEMENT OF ASSETS AND LIABILITIES AS AT 31ST MARCH 2020				
(Amount in Rupees)				
S.No	Particulars	Note No.	As at 31st March 2020	As at 31st March 2019
<b>A</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non Current Assets</b>			
	(a) Property, Plant and Equipment	2	112,655,641	118,918,489
	(b) Intangible Assets	2	58,183	122,266
	(c) Capital Work in Progress	2	5,519,698	-
	<b>Financial Assets</b>			
	(a) Long Term Loans & Advances	3	935,503	287,730
	Other Non Current Assets	4	1,096,079	1,096,079
	Deffered Tax Assets (Net)	5	5,809,845	7,876,553
			<b>126,074,949</b>	<b>128,301,117</b>
<b>2</b>	<b>Current Assets</b>			
	(a) Financial Assets			
	(i) Trade Receivables	6	25,268,789	24,885,037
	(ii) Cash and Cash Equivalentents	7	2,854,661	2,693,011
	(iii) Other Current Financial Assets	8	3,554,321	4,206,361
	(b) Current Tax Assets (Net)	9	3,470,456	3,565,520
			35,148,227	35,349,929
	<b>Total Assets</b>		<b>161,223,176</b>	<b>163,651,046</b>
<b>B</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Equity</b>			
	(a) Equity Share Capital	10	57,627,700	57,627,700
	(b) Other Equity	11	(84,564,016)	(62,740,550)
			-26,936,316	-5,112,850
	<b>Liabilities</b>			
<b>2</b>	<b>Non Current Liabilities</b>			
	<b>Financial Liabilities</b>			
	(i) Borrowings	12	112,978,328	108,276,665
	(ii) Other Financial Liabilities	13	39,869,819	19,821,259
			152,848,147	128,097,924
<b>3</b>	<b>Current Liabilities</b>			
	(a) Financial Liabilities			
	(i) Trade Payables	14	741,709	1,769,668
	(ii) Other Financial Liabilities	15	34,569,636	38,896,304
			35,311,345	40,665,972
	<b>Total Equity &amp; Liabilities</b>		<b>161,223,176</b>	<b>163,651,046</b>
Statement on Significant Accounting Policies and Notes to the Financial Statements are an integrated part of this Balance Sheet			-	
<b>For R. SUNDARARAMAN &amp; CO.,</b>				
<b>Chartered Accountants</b>				
<b>(FRN : 004129S)</b>				
		<b>R. Jagadeesan</b>	<b>Malathi Jagadeesan</b>	
		<b>Managing Director</b>	<b>Director</b>	
		<b>DIN : 01153985</b>	<b>DIN : 00153952</b>	
<b>S. SRIRAM</b>				
<b>Partner</b>				
<b>M. No : 202813</b>				
<b>Place : Chennai</b>		<b>P. Rajasekaran</b>	<b>M. Harshini</b>	
<b>Date : June 17, 2020</b>		<b>Chief Financial Officer</b>	<b>Company Secretary</b>	



THAMBBI MODERN SPINNING MILLS LIMITED				
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2020				
(Amount in Rupees)				
S.No	Particulars	Note No.	As at 31st March 2020	As at 31st March 2019
<b>I</b>	<b>Revenue</b>			
	Revenue from Operations	16	19,125,908	24,828,667
	Other Income	17	129,520	272,853
	<b>Total Revenue</b>	<b>(A)</b>	<b>19,255,428</b>	<b>25,101,520</b>
<b>II</b>	<b>Expenses</b>			
	Materials Consumed	18	--	3,971,645
	Employee Benefit Expenses	19	5,805,043	7,563,507
	Finance Costs	20	18,171,219	16,700,167
	Depreciation and Amortisation Expense		6,326,931	6,044,945
	Other Expenses	21	8,708,993	11,459,232
	<b>Total Expenses</b>	<b>(B)</b>	<b>39,012,186</b>	<b>45,739,496</b>
<b>III</b>	<b>Profit / (Loss) before Exceptional Items and Tax</b>	<b>(A) - (B)</b>	<b>(19,756,758)</b>	<b>(20,637,976)</b>
<b>IV</b>	<b>Exceptional Items</b>			
	- Prior Year Adjustments		--	(2,098,406)
<b>V</b>	<b>Profit / (Loss) before Tax</b>		<b>(19,756,758)</b>	<b>(18,539,570)</b>
<b>VI</b>	<b>Tax Expense :</b>			
	a) Current Tax		--	--
	b) Deferred Tax		2,066,708	2,421,447
<b>VII</b>	<b>Profit / (Loss) for the period from continuing operations</b>		<b>(21,823,466)</b>	<b>(20,961,017)</b>
<b>VIII</b>	Other Comprehensive Income		--	--
<b>IX</b>	<b>Total Comprehensive Income for the Year (Comprising Profit / (Loss) and other comprehensive income)</b>		<b>(21,823,466)</b>	<b>(20,961,017)</b>
	Attributable to :			
	Owners to the Company		<b>(21,823,466)</b>	<b>(20,961,017)</b>
	Non-controlling interests		--	--
<b>X</b>	<b>Earnings per Equity Share (in Rs.)</b>			
	<b>(1) Basic</b>		<b>(3.43)</b>	<b>(3.58)</b>
	<b>(2) Diluted</b>		<b>(3.43)</b>	<b>(3.58)</b>
Statement on Significant Accounting Policies and Notes to the Financial Statements are an integrated part of this Statement of Profit and Loss				
<b>For R. SUNDARARAMAN &amp; CO.,</b> Chartered Accountants (FRN : 004129S)			For and on behalf of the Board	
		<b>R. Jagadeesan</b> Managing Director	<b>Malathi Jagadeesan</b> Director	
<b>S. SRIRAM</b> Partner M. No : 202813		DIN : 01153985	DIN : 00153952	
Place : Chennai Date : June 17, 2020		<b>P. Rajasekaran</b> Chief Financial Officer	<b>M. Harshini</b> Company Secretary	



THAMBBI MODERN SPINNING MILLS LIMITED				
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020				
			Amount in Rupees	
			31st March 2020	31st March 2019
A. CASH FLOW FROM OPERATING ACTIVITIES			(12 months)	(12 months)
Net Profit/Loss before tax and Extra Ordinary Items			(19,756,758)	(20,637,976)
Adjustments for-				
Depreciation			6,326,931	6,044,945
Interest paid			17,415,771	16,642,789
Prior Year Adjustments			-	2,098,406
Interest Received			(129,520)	(136,410)
			23,613,182	24,649,730
Operating Cash Flow before working capital changes			3,856,424	4,011,754
Adjustments for (Increase) / Decrease in Operating Assets				
Trade and other receivables			(383,753)	(956,774)
Short Term Loans & Advances			652,040	6,196,404
Long Term Loans & Advances			(647,773)	-
Other Non Current Assets			-	
Adjustments for Increase / (Decrease) in Operating Liabilities				
Trade Payables			(1,027,959)	(4,406,280)
Other Current Liabilities			(4,326,668)	3,424,350
Other Non Current Liabilities			20,048,560	8,047,023
Cash generated from Operations			18,170,871	16,316,477
Current Tax Assets (Net)			95,064	
NET CASH FLOW FROM OPERATING ACTIVITIES			(A) 18,265,935	16,316,477
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets			(5,519,698)	(15,040,176)
Increase in Non Current Investments			-	100,000
Interest Income			129,520	(5,390,178)
NET CASH FLOW FROM INVESTING ACTIVITIES			(B) (5,390,178)	(14,803,766)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Long Term Borrowings (Net)			4,701,663	15,119,955
Short Term Borrowings (Net)			-	-
Interest on Borrowings			(17,415,771)	(12,714,108)
NET CASH FLOW FROM FINANCING ACTIVITIES			(C) (12,714,108)	(1,522,834)
NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS			A+B-C 161,649	(10,123)
Opening Balance in Cash & Cash Equivalents			2,693,011	2,703,133
Closing Balance in Cash & Cash Equivalents			2,854,661	2,693,011
Statement on Significant Accounting Policies and Notes to the Financial Statements are an integrated part of this Statement of Profit and Loss				
For R. Sundararaman & Co,			For and on Behalf on the Board	
Chartered Accountants,				
Firm Registration No:004219S				
			R.Jagadeesan	Malathi Jagadeesan
			Managing Director	Director
			DIN 01153985	DIN 00153952
S.SRIRAM				
Partner				
Membership No:202813				
Place: Chennai			P. Rajasekaran	M. Harshini
Date : June 17, 2020			Chief Financial Officer	Company Secretary



## 2 Property, Plant and Equipment 2018-19

Particulars	Gross Block				Depreciation				Net Block	
	As at 01-04-18	Additions	Deletions	Total 31-03-19	As at 31-03-18	Additions	Deletions	Total 31-03-19	As at 31-03-19	As at 01-04-18
<b>Tangible Assets</b>										
Freehold Land	2,805,276	-	-	2,805,276	-	-	-	-	2,805,276	2,805,276
Buildings	118,237,452	30,748,413	-	148,985,865	41,837,434	4,011,758	-	45,849,192	103,136,673	76,400,018
Plant & Equipments	2,473,567	-	-	2,473,567	117,494	469,978	-	587,472	1,886,095	2,356,073
Generator Set	777,000	-	-	777,000	18,000	73,863	-	91,863	685,137	759,000
Electrical Fittings	7,524,756	-	-	7,524,756	179,167	714,805	-	893,972	6,630,784	7,345,589
Furniture & Fixtures	1,038,250	-	-	1,038,250	139,364	109,458	-	248,822	789,428	898,886
Office Equipments	952,853	2,588,932	-	3,541,785	227,777	507,432	-	735,209	2,806,576	725,076
Computers	295,480	-	-	295,480	23,392	93,568	-	116,960	178,520	272,088
<b>Total</b>	<b>134,104,634</b>	<b>33,337,345</b>	<b>-</b>	<b>167,441,979</b>	<b>42,542,628</b>	<b>5,980,862</b>	<b>-</b>	<b>48,523,490</b>	<b>118,918,489</b>	<b>91,562,006</b>
<b>Intangible Assets</b>										
Software	202,370	-	-	202,370	16,021	64,083	-	80,104	122,266	186,349
<b>Total</b>	<b>202,370</b>	<b>-</b>	<b>-</b>	<b>202,370</b>	<b>16,021</b>	<b>64,083</b>	<b>-</b>	<b>80,104</b>	<b>122,266</b>	<b>186,349</b>
Capital Work in Progress	-	-	-	-	-	-	-	-	-	18,297,169
<b>Total</b>	<b>134,307,004</b>	<b>33,337,345</b>	<b>-</b>	<b>167,644,349</b>	<b>42,558,649</b>	<b>6,044,945</b>	<b>-</b>	<b>48,603,594</b>	<b>119,040,755</b>	<b>110,045,524</b>

## 2 Property, Plant and Equipment 2019-2020

Particulars	Gross Block				Depreciation				Net Block	
	As at 01-04-19	Additions	Deletions	Total 31-03-20	As at 31-03-19	Additions	Deletions	Total 31-03-20	As at 31-03-20	As at 01-04-19
<b>Tangible Assets</b>										
Freehold Land	2,805,276	-	-	2,805,276	-	-	-	-	2,805,276	2,805,276
Buildings	148,985,865	-	-	148,985,865	45,849,192	4,270,686	-	50,119,878	98,865,987	103,136,673
Plant & Equipments	2,473,567	-	-	2,473,567	587,472	469,978	-	1,057,450	1,416,117	1,886,095
Generator Set	777,000	-	-	777,000	91,863	73,863	-	165,726	611,274	685,137
Electrical Fittings	7,524,756	-	-	7,524,756	893,972	714,805	-	1,608,777	5,915,979	6,630,784
Furniture & Fixtures	1,038,250	-	-	1,038,250	248,822	109,458	-	358,280	679,970	789,428
Office Equipments	3,541,785	-	-	3,541,785	735,209	530,490	-	1,265,699	2,276,086	2,806,576
Computers	295,480	-	-	295,480	116,960	93,568	-	210,528	84,952	178,520
<b>Total</b>	<b>167,441,979</b>	<b>-</b>	<b>-</b>	<b>167,441,979</b>	<b>48,523,490</b>	<b>6,262,848</b>	<b>-</b>	<b>54,786,338</b>	<b>112,655,641</b>	<b>118,918,489</b>
<b>Intangible Assets</b>										
Software	202,370	-	-	202,370	80,104	64,083	-	144,187	58,183	122,266
<b>Total</b>	<b>202,370</b>	<b>-</b>	<b>-</b>	<b>202,370</b>	<b>80,104</b>	<b>64,083</b>	<b>-</b>	<b>144,187</b>	<b>58,183</b>	<b>122,266</b>
Capital Work in Progress	-	-	-	-	-	-	-	-	5,519,698	-
<b>Total</b>	<b>167,644,349</b>	<b>-</b>	<b>-</b>	<b>167,644,349</b>	<b>48,603,594</b>	<b>6,326,931</b>	<b>-</b>	<b>54,930,525</b>	<b>118,233,522</b>	<b>119,040,755</b>



### 3. Long Term Loans & Advances

Security Deposits	935,503	287,730
<b>Total</b>	<b>935,503</b>	<b>287,730</b>

### 4. Other Non Current Assets

Balances with Government Authorities (Other than Income Tax)	1,096,079	1,096,079
<b>Total</b>	<b>1,096,079</b>	<b>1,096,079</b>

### 5. Deferred Tax Asset (Net)

Business Loss	12,376,610	13,703,788
Depreciation	(6,566,765)	(5,827,235)
<b>Total</b>	<b>5,809,845</b>	<b>7,876,553</b>

### 6. Trade Receivables

Unsecured - Considered Good

Outstanding for a period exceeding 6 months from the date they are due for payment	22,885,173	22,983,146
Other Receivables	2,383,616	1,901,891
<b>Total</b>	<b>25,268,789</b>	<b>24,885,037</b>

### 7. Cash & Cash Equivalents

Cash on Hand	19,454	15,799
Balance with Banks in Current Accounts	134,336	158,537
Balance with Banks in Escrow Accounts	2,700,871	2,518,675
<b>Total</b>	<b>2,854,661</b>	<b>2,693,011</b>



#### 8. Other Current Financial Assets

Advances to Related Parties	--	--
Advances recoverable in cash or kind for value to be received	3,554,321	4,206,361
<b>Total</b>	<b>3,554,321</b>	<b>4,206,361</b>

#### 9. Current Tax Assets

Particulars	As at 31st March 2020	As at 31st March 2019
TDS / Advance Income Tax (Net of Provision)	3,470,456	3,565,520
<b>Total</b>	<b>3,470,456</b>	<b>3,565,520</b>

#### 10. Share Capital

<b>Authorised Capital</b>		
1,40,00,000 Equity Shares of Rs. 10/- each	140,000,000	140,000,000
<b>Total</b>	<b>140,000,000</b>	<b>140,000,000</b>
<b>Issues, Subscribed &amp; Paid-up Capital</b>		
57,62,770 Equity Shares of Rs. 10/- each	57,627,700	57,627,700
<b>Total</b>	<b>57,627,700</b>	<b>57,627,700</b>



### 10.1 Number of Equity Shares at the beginning and end of the reporting year

Particulars	As at 31/03/2020		As at 31/03/2019		As at 31/03/2018	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Shares outstanding at the beginning of the year	5,762,770	57,627,700	5,762,770	57,627,700	5,762,770	57,627,700
Shares issued during the year	-	-	-	-	-	-
Shares outstanding at the close of the year	<b>5,762,770</b>	<b>57,627,700</b>	<b>5,762,770</b>	<b>57,627,700</b>	<b>5,762,770</b>	<b>57,627,700</b>

### 10.2 Details of Shareholders holding more than 5% shares in the Company

Name of Shareholder	As at 31/03/2020		As at 31/03/2019		As at 31/03/2018	
	No. of Shares	% Holding	No. of Shares	% Holding	No. of Shares	% Holding
R. Jagadeesan	3,284,995	57%	3,284,995	57%	3,284,995	57%
Malathi Jagadeesan	568,530	10%	568,530	10%	568,530	10%
Salem Ramamurthy Murali Manohar	292,000	5%	292,000	5%	292,000	5%

### 11. Other Equity

Particulars	Reserves and Surplus				Total
	Capital Reserve	Share Premium	General Reserve	Retained Earnings	
Balance as on 01-04-2018	349,562,334	74,579,000	58,766,833	(545,648,717)	(62,740,550)
Restated Balance at the beginning of the reporting period	-	-	-	-	-
Balance as on 01-04-2019	349,562,334	74,579,000	58,766,833	(545,648,717)	(62,740,550)
Total Comprehensive Income for the year	-	-	-	-	-
Adjustments on account of transition to IND AS	-	-	-	-	-
Balance as on 31-03-2019	349,562,334	74,579,000	58,766,833	(545,648,717)	(62,740,550)
Total Comprehensive Income for the year	-	-	-	(21,823,466)	(21,823,466)
Adjustments on account of IND AS	-	-	-	-	-
<b>Balance as on 31-03-2020</b>	<b>349,562,334</b>	<b>74,579,000</b>	<b>58,766,833</b>	<b>(567,472,183)</b>	<b>(84,564,016)</b>



## 12. Borrowings

Particulars	As at 31st March 2020	As at 31st March 2019
Secured :		
Loan against Rent Receivables		
IDBI Bank Ltd	87,347,037	90,504,029
LIC Housing Finance Ltd	-	17,772,636
HDFC Ltd	25,631,291	-
<b>Total</b>	<b>112,978,328</b>	<b>108,276,665</b>

### Note :

Loan from IDBI Bank Limited is secured by mortgage of title deeds of a portion of Unit I Land located at Jagir Ammapalayam Village, Salem.

Loan from HDFC Limited is secured by mortgage of title deeds of a portion of Unit II Land located at Udayapatty Bye Pass Road, Salem.

## 13. Other Financial Liabilities (Non Current)

Unsecured		
From Directors	27,167,965	7,919,059
Rent Deposit	12,701,854	11,902,200
<b>Total</b>	<b>39,869,819</b>	<b>19,821,259</b>

## 14. Trade Payables

Sundry Creditors	741,709	1,769,668
<b>Total</b>	<b>741,709</b>	<b>1,769,668</b>

## 15. Other Current Financial Liabilities

Current Maturity of Long Term Debts	5,797,916	4,120,569
Statutory Liabilities	869,834	1,713,159
Accrued Expenses	189,741	386,401
Advances Received	27,712,145	32,676,175
<b>Total</b>	<b>34,569,636</b>	<b>38,896,304</b>





#### 16. Income from Operations

Particulars	As at 31st March 2020	As at 31st March 2019
Rent Receipts	19,125,908	20,472,703
Sale of Products	-	4,355,964
<b>Total</b>	<b>19,125,908</b>	<b>24,828,667</b>

#### 17. Other Income

Interest received - Others	129,520	136,410
Miscellaneous Income	-	136,443
<b>Total</b>	<b>129,520</b>	<b>272,853</b>

#### 18. Cost of Materials Consumed

Materials Consumption	-	3,971,645
<b>Total</b>	<b>-</b>	<b>3,971,645</b>

#### 19. Employment Benefit Expenses

Salaries & Wages	5,470,461	7,123,646
Staff Welfare Expenses	334,582	439,861
<b>Total</b>	<b>5,805,043</b>	<b>7,563,507</b>

#### 20. Finance Cost

Interest to Banks	11,962,858	11,973,606
Interest to Others	5,452,914	4,669,183
Bank Charges / Commission	755,447	57,378
<b>Total</b>	<b>18,171,219</b>	<b>16,700,167</b>



## 21. Other Expenses

Power & Fuel	1,102,851	1,436,043
Repairs & Maintenance	2,101,782	4,105,772
Insurance	66,868	36,370
Rent	1,515,000	1,507,500
Rates & Taxes	1,783,112	1,042,969
Security Charges	-	362,701
Travelling & Conveyance	988,910	930,610
Professional & Legal Fees	382,396	479,937
Audit Fees	88,500	88,500
Miscellaneous Expenses	510,011	689,436
Directors sitting fees	15,000	15,000
Advertisement	154,563	748,394
Donations	-	16,000
<b>Total</b>	<b>8,708,993</b>	<b>11,459,232</b>

## 22 Contingent Liabilities

Claims against the Company which are contested / proposed to be contested before various judicial forums :

Particulars	As at 31.03.2020	As at 31.03.2019
The Cotton Corporation of India Limited., Coimbatore	12,615,907	12,615,907
Income Tax	-	9,876,992
<b>Total</b>	<b>12,615,907</b>	<b>22,492,899</b>

## 23 Related Party Information

Related party information as required by AS18 is given below :

### A Names of the Related Parties and their relationships :

i) Key Management Personnel

Mr. R. Jagadeesan, Managing Director

Mrs. Malathi Jagadeesan

B Transactions with Related Parties :	Year Ended 31.03.2020	Year Ended 31.03.2019
Remuneration paid Mr.R.Jagadeesan	1,500,000	1,500,000
Loans Avalied Mr. R. Jagadeesan Ms.Malathi Jagadeesan	17,320,221 1,928,685	- -
Outstanding Payable / (Receivable) at the year end Mr. R. Jagadeesan Ms.Malathi Jagadeesan	24,634,930 2,533,035	7,314,709 604,350



**24 Segment Reporting**

The Company's textile manufacturing activities have been stopped and the Company presently earns revenue from letting out the factory premises, which constitutes single business segment. As per management's perspective, the risks and returns from them do not materially vary geographically. Accordingly there are no business/geographical segments to be reported under Accounting Standard (AS) 17 issued by the Institute of Chartered Accountants of India.

**25 Quantity Particulars**

Since the Company has no manufacturing activity during the year, quantity particulars information on consumption, stock etc. are not furnished.

<b>26 Breakup of Payment made to Auditors</b>	<b>Year Ended 31.03.2020</b>	<b>Year Ended 31.03.2019</b>
Towards :		
Statutory Audit	59,000	59,000
Tax Audit	11,800	11,800
Certification & Other Matters	17,700	17,700
<b>Total</b>	<b>88,500</b>	<b>88,500</b>

<b>27 Earning per Share</b>	<b>Year Ended 31.03.2020</b>	<b>Year Ended 31.03.2019</b>
i) (Loss)/Profit after tax as per the Statement of Profit and Loss	(21,823,466)	(20,961,017)
ii) Weighted average number of equity shares outstanding during the year		
for Basic EPS (Nos)	5,762,770	5,762,770
for Diluted EPS (Nos)	5,762,770	5,762,770
iii) Basic and diluted earnings per share of Rs.10/- each		
for Basic EPS (in Rs.)	(3.43)	(3.58)
for Diluted EPS (in Rs.)	(3.43)	(3.58)

**28** No provision for tax has been made in the absence of taxable profits for the current year. Deffered Tax has been provided on the timing differences. The Unabsorbed losses and depreciation for the years ended 31.03.2019 and 31.03.2020 have not been considered on account of the continued losses.

**29** Sundry Debtors and Creditors Balances are subject to confirmation and reconciliation.

**30** Previous year's figures have been regrouped wherever necessary, to confirm with the current year's disclosures.

**For R. Sundararaman & Co,**  
Chartered Accountants,  
Firm Registration No:004219S

**For and on behalf of the Board,**

**S.SRIRAM**  
Partner  
Membership No:202813  
Place : Chennai  
Date : June 17, 2020

**R.Jagadeesan**  
Managing Director  
DIN 01153985

**Malathi Jagadeesan**  
Director  
DIN 00153952

**P. Rajasekaran**      **M. Harshini**  
Chief Financial Officer      Company Secretary



## **1 NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020**

### **1.1 Basis of preparation of Financial Statements**

These financial statements are prepared in accordance with Indian Accounting Standards (“Ind AS”), the provisions of the Companies Act, 2013 (“the Companies Act”), as applicable and guidelines issued by the Securities and Exchange Board of India (“SEBI”). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. Accounting policies have been applied consistently to all periods presented in these financial statements. The financial statements correspond to the classification provisions contained in Ind AS 1, “Presentation of Financial Statements”. For clarity, various items are aggregated in the statements of profit and loss and balance sheet. These items are disaggregated separately in the notes to the financial statements, where applicable. Previous year figures have been regrouped/re-arranged, wherever necessary.

### **1.2 Exemptions availed under Ind AS 101**

#### **a) Property ,plant and Equipment**

The historical cost of the Property, Plant and Equipment as at the Transition Date is adopted as the deemed cost.

#### **b) Fair value of Financial Assets & Liabilities**

As per Ind AS Exemption, the Company has not fair valued the financial assets and liabilities retrospectively, and has measured the same prospectively.

### **1.3 Significant Accounting Policies**

#### **a) Use of Estimates**

The preparation of financial statements in conformity with the generally accepted Indian Accounting Standards (Ind AS) principles, requires the management to make estimates and assumption that effect the reported amounts of the assets & liabilities and disclosure of contingent liabilities as at the date of financial statements and the result of operations during the reporting period. Although these estimates are based on the management’s best knowledge of current events and actions, the actual results could differ from these estimates.

#### **b) Property, Plant and Equipment**

Property, Plant and Equipment are accounted for at the deemed cost which is the historical cost as per the previous GAAP. Depreciation is provided on Straight Line Basis over the remaining useful life of the assets, as per Schedule II of the Companies Act, 2013.

#### **c) Revenue Recognition**

Rental Income is recognised on Accrual basis.



#### **d) Borrowing Costs**

Interest and other cost in connection with borrowing of funds to the extent related / attributed to the acquisition / construction of qualifying fixed assets are capitalized up to the date when such assets are ready for its intended use. Other borrowing costs are charged to Profit and Loss Account.

#### **e) Investments**

Long Term Investments are carried at cost

#### **f) Employee Benefits**

The Company does not have any manufacturing activity. There are no permanent workers / employees as at the end of the year. Accordingly there are no liabilities with respect to Bonus, Gratuity, Provident Fund, Employees State Insurance, Leave Encashment and other retirement benefits.

#### **g) Impairment of Assets**

As at the Balance Sheet date, the carrying amount of assets is tested for impairment so as to determine:

- The extent of recognition of impairment loss, if any, required or
- The reversal, if any, required of impairment loss recognised in previous periods. Where the carrying amount of an asset exceeds its recoverable amount, such excess is recognised as impairment loss and charged in the Statement of Profit and Loss.

#### **h) Provision and contingent liabilities**

Provision is recognised in respect of present obligation requiring settlement by outflow of resources and of which reliable estimate of the amount of obligation could be made.

Contingent liability is not recognised and is disclosed unless the possibility of outflow of resources embodying economic benefit is remote. Present obligation arising from past events and the existence of which is subject to occurrence or non occurrence of an in certain future event is disclosed.



## FORWARD LOOKING STATEMENT

These forward looking statements include statements as to business strategy, revenue and profitability, planned projects and other matters discussed in this Annual Report. These forward – looking statements contained in the Annual Report involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements expressed or implied to vary.

All forward looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from our expectations include, but are not limited to:

- General economic and business conditions.
- Company's ability to successfully implement its strategy and Business plans.
- Increasing competition or other factors affecting the industry segments in which our Company operates.
- Loss of our management team and other key personnel who are critical to our continued success.
- Our ability to meet our capital expenditure requirements and/or increase in capital expenditure.
- Our ability to keep pace with changing technology, evolving industry standards and new product introduction.
- Changes in laws and regulations relating to the sectors/areas in which we operate.
- Changes in government regulations and impact of fiscal, economic or political conditions in India
- Conflicts of interest with affiliated companies, the promoter group and other related parties
- Social or civil unrest or hostilities with neighboring countries or acts of international terrorism