

PERFORMANCE AND STATE OF AFFAIRS

The Company's Total Income and Gross profit amounted to Rs.49408.24 Lakhs (Previous year Rs. 49583.20 Lakhs) and Rs.8887.67 Lakhs (Previous year Rs.9309.78 Lakhs). This represents a marginal decline in total income of 0.35% as compared to 3.93% growth in the previous year and decline in Gross Profit of 4.53% as against growth of 1.99% in the previous year.

For the year Company's Direct Export Turnover amounted to Rs. 25960.52 Lakhs as compared to Rs. 28532.30 Lakhs in the previous year representing a decline of 9.01 % (Previous Year decline of 3.55%) . In terms of percentage the export turnover constituted 53.71% of the net sales as against 58.98% in the previous year. This subtle change is on account of better margin realization in the domestic market and in line with the company's policy to protect its margin and the flexibility of operations to switch between the broader markets.

The Company has clear focus and continued its operations in making of speciality cotton yarn and has strong demand for its products .The Company's products always command premium over the competitors. Its product profile enables the Company to suit its manufacturing plan according to the varied needs of the customer. The performance for the year was primarily affected on account of cost escalation of power due to lack of evacuation of wind power generated and low wind and consequent to that compulsion of use of out sourced power at a higher cost.

During the year the Company has invested Rs.1843.82 Lakhs towards upgradation of technology of its manufacturing operations and so far during the current year has further invested Rs.525.80 Lakhs. This total investment of Rs.2369.62 Lakhs was fully met out of internal accruals.

It is pertinent to note that the company has achieved one of its objective of fully retiring the long term debt.

The Company is implementing the Knitting facility at an estimated cost of Rs.834.92 Lakhs, fully funded out of internal accruals, this is part of the scheme earlier envisaged along with the spinning unit. This facility is expected to be operational from October 2016 onwards.

The implementation of spinning phase is still pending due to appropriate land clearance from the Government. As and when clearance is obtained, the project will be initiated. However the Company has initiated, production augmenting measures, in the existing plants itself, by investing in Plant and Machinery, at an estimated cost of Rs.12.00 crores, to be met out of internal accruals.

KEYTAKEAWAYS FROM ANNUAL REPORT 2015-16

S.No	Name of the Director/ KMP and Designation	Remuneration of Director/ KMP for financial year 2015-16 (Rs. in Lakhs)	% increase in Remuneration in the Financial year 2015-16	Ratio of Remuneration of each Director to median remuneration of employees
1	Sri.P.V.Chandran, Chairman and Managing Director	24.75	--	38.51:1
2	Sri. K.N.Sreedharan, Non- Executive - Independent	1.35	--	2.10:1
3	Dr.K.Venkatachalam, Non- Executive - Independent	1.35	--	2.10:1
4	Sri.R.Soundararajaperumal, Non- Executive - Independent	1.05	--	1.63:1
5	Mrs.Bhavya Chandran, Non- Executive - Promoter group	0.75	--	1.17:1
6	Mrs.Vidya Jyothish Pillai, Non- Executive - Promoter group	0.75	--	1.17:1
7	Sri. Radheshyam Padia, Company Secretary	6.00	--	9.34:1
8	Sri. M.Vijayakumar, CFO	4.42	--	6.88:1

S. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No of Shares	% of total shares of the Company	No of Shares	% of total shares of the Company
1	Catamaran Management Services P Limited	0	0	240305	4.090
2	Apple Finance Limited	180233	3.068	180233	3.068
3	Value Quest India Moat Fund Limited	120801	2.056	142801	2.431
4	Eicher Goodearth Private Limited	57093	0.972	130093	2.214
5	VLS Finance Limited	98200	1.671	100000	1.702
6	Saffron Agencies Limited	221856	3.776	98598	1.678
7	Ajai Hari Dalmia	81325	1.384	81325	1.384
8	Morgan Stanley Asia(Singapore) PTE	0	0	57923	0.986
9	Narendra D Lodaya	40306	0.686	35206	0.599
10	Angel Holdings Pvt Ltd	24337	0.414	34325	0.584
11	Anil Kumar Goel	170000	2.894	19000	0.323
12	Bang Securities Private Ltd	60000	1.021	0	0
13	IDFC Equity Opportunity-Series-1	216715	3.689	0	0
14	Avalokiteshvar Valinv Limited	106370	1.810	0	0

(ii) Operational performance in terms of Production and Sales quantities are given below.

Particulars	Current Year 2015-16		Previous Year 2014-15	
	Qty (In Lakh Kgs)		Qty (In Lakh Kgs)	
	Production	Sales	Production	Sales
Cotton Yarn	176.33	165.23	161.11	153.48
Cotton Fabrics (Knitted)	7.77	7.58	10.08	10.10
Waste Cotton	66.33	67.04	59.18	58.93
Wind units for captive consumption	370.12 Lakh units		460.67 Lakh units	