



**THE WESTERN INDIA
C O T T O N S L T D**

59th Annual Report

2013 - 2014

**THE WESTERN INDIA
C O T T O N S L T D**

**Registered Office & Mills
Pappinisseri - 670 561, Kannur**

Directors

Shri P.K. Shameem - Chairman cum
Managing Director

Shri R.S. Nair - Director

Shri A. Ramachandra Shetty - Director

Shri A.K. Shereif - Director

Shri T.T.P Mahamood - Director

Statutory Auditors

T.K.Menon & Co
Chartered Accountants
Calicut

Bankers

- 1) The ICICI Bank Ltd.
- 2) The Federal Bank Ltd.
- 3) The Bank of India
- 4) The State Bank of India
- 5) The IDBI Bank



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DIRECTORS' REPORT 2013-2014

Your Directors have pleasure in presenting their report and audited accounts for the financial year 2013-2014

(Rs. In lakhs)

	2013-2014	2012-2013
Sales/Other Operating Income	396.81	388.68
Other Income	93.94	60.37
Gross Income	490.75	456.05
Profit before Tax	15.17	18.95
Provision for Taxation	4.21	- 4.73
Profit for the year	19.38	14.22
Add: Transfer to Capital Reserve\Remission of Secured Loan	2.74	
Add: Loss brought forward	2115.70	2129.92
Accumulated Loss as on 31 st March	2099.06	2115.70

REVIEW OF OPERATIONS

Your Company could achieve a gross revenue of Rs.490.75 lakhs (Note no.:14&15 (456.05 lakhs), consisting of (i) Sales revenue of Rs.396.81 lakhs (388.68 lakhs), (ii) Rental income of Rs.65.97 lakhs (42.00 lakhs) and (iii) Miscellaneous income of Rs.27.97 lakhs (25.37 lakhs). (Figures in brackets for the previous year) After adjustment and taxation, your Company's net profit this year stands at Rs.19.38 lakhs against a profit of Rs.14.22 lakhs for the previous year.

With regard to the trading segment, by concentrating on the essential aspects of sales, your company could maintain and slightly improve upon the sales revenue during the year compared to the previous year, which is an achievement considering the combination of adverse factors faced during the last year. Sales during the year suffered on account of long drawn strike in the textile sector in the grey fabric sourcing area in towns around Erode and Tirupur, which affected the availability of fabric for processing.. This was followed by high rise in grey fabric prices as a consequence of the labour settlement. Subsequently there was a long drawn disruption in processing, on account of Pollution Control Problems which lasted for two months, during which period no processing could be undertaken. Owing to such uncertainties, prices of grey fabric and charges for processing have been increasing more frequently than ever before. Unable to so frequently increase the prices of finished fabric to match the increase of grey fabric prices and processing charges, your company had to suffer on the profit margin. The suppliers do not give a firm commitment for either the prices or for the delivery period. As your Company has been maintaining minimum stock to reduce blocking of resource through inventory, there have been more frequent times during the year when supplies could not be ensured on demand, thus some orders were also lost.

In the past the Company had the benefit of some special orders demanding intricate specifications, which were executed through the inbuilt technological competence of the Company. The demand stands considerably reduced and no new sources could be traced. Also export of made- up items used to be a good source of income in the past, which during the year is nil. Despite all the adverse factors, your company has been able to make its presence felt in the market and the Company's products which are mainly bleached mull of limited items are still in demand, though in comparatively small quantum, for its superior quality.

The other segment that came as a rescue and contributed to the increased revenue is income from rent which has increased from Rs.42 lakhs during the previous year to Rs.66 lakhs during the year. Considering the trend of lean trading activities, the immediate and apparently viable alternative appears to lay emphasis on generation of more income from godown renting. While your Company is making all out efforts in attracting more and more lessees, the buildings are knowingly more than seven decades old with wood and tile roof structure and do not offer modern facilities for warehousing. It is by taking advantage of the open space for movement and parking including for containers that attracted the present lessees. But the goods stored are mainly hardware items than modern items of white goods/electronics etc. Also the buildings before being rented out needs major repairs, alterations and modifications including partitions to provide minimum of storing and logistics conveniences involving considerable initial expenditure. The expenditure on repair of buildings before being rented out during the year comes to Rs.40 lakhs against a rent income of Rs.66 lakhs. Once the income from the rent is stabilized, demolition and reconstruction of some of the buildings would be taken up, for which survey and preliminary planning are afoot.

After the Processing Operator who was doing process operation in the mill premises discontinued their activities, the Mill had virtually no manufacturing activities. Your Company has located another party with whom a lease agreement has been entered into for them to conduct process operation in our Mill premises, so that manufacturing activities commences in the Mill premises.

Your Company is passing through a stage where the surplus generated through the limited activities of trading and renting help meeting the expenses related to a an ongoing Company like Stock Exchanges, Share Transfer Management, Factory License, Pollution Control Board Certification, Audit expenses and repair and maintenance of the buildings in the mill premises which carve a major portion of the rent income initially, apart from the normal business related expenses. Despite these factors your Company has been able to earn a net profit of Rs.19.38 lakhs which is attributable to the strength of the Company derived through its reputation, credibility, quality orientation and business acumen. Your Company having discharged huge liabilities of Bank borrowings, VR compensation to the employees and other long pending major liabilities to the creditors, its strength lies on its non dependence on outside finance. With the present trend of trading business and rent income, there is definite scope for improved profitability in future.

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY UPGRADATION AND FOREIGN EXCHANGE EARNINGS AND OUTGO.

The report required to be made pursuant to clause (e) of Section (I) in Section 217 of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the report of Board of Directors Rules 1988) and forming part of the Director's report is given in Annexure A to this report.

DIRECTORS:

Retirement of Directors: As per the Companies Act 2013 and SEBI Guidelines the Company should appoint 2 Independent Directors for a period of 5 years. Accordingly Shri.R.S.Nair and Shri.A.Ramachandra Shetty are proposed to be appointed as Independent Directors. Brief particulars and expertise of these Directors and Committee membership have been given as Annexure to the notice of the Annual General Meeting. Shri.A.K.Shereif has to retire by rotation and is eligible for re-appointment. All the Directors have filed Form DDA with the Company as required under the Companies Act.

PERSONNEL:

There were no employees drawing remuneration in excess of the limits specified under section 217(2)(A) of the Companies Act during the year under report.

CORPORATE GOVERNANCE

Pursuant to clause 49 of the listing agreement with Stock Exchanges, Management Discussion and Analysis, Corporate Governance Report and Auditors' Certificate regarding compliance of conditions of corporate governance have been incorporated in the Annual Report. Your company is committed to good corporate governance practices and to follow the guidelines provided by SEBI and stock exchanges from time to time.

DIRECTORS RESPONSIBILITY STATEMENT:

Your Directors hereby confirm:

1. That in the preparation of Accounts for the period ended 31st March 2014, applicable accounting standards have been followed along with proper explanation relating to material departures, wherever necessary.
2. That the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for the financial year ended 31st March 2014.
3. That the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of The Companies Act, 1956, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities
4. That the Profit and Loss Account and Balance Sheet have been prepared on a going concern basis.

COMPLIANCE CERTIFICATE

As required under Section 383(A) of the Companies Act, Compliance Certificate obtained from Sri Murali Kanniyath, Practicing Company Secretary, Kannur, for the year ended 31st March 2014 is given in Annexure-B and forms part of this report.

AUDITORS:

M/S.T K Menon & Co., Chartered Accountants, Calicut the Statutory Auditors, retire at the ensuing Annual General Meeting and as per the provisions of the Companies Act 2013 they are eligible for re-appointment for a further period of 3 years. Your Directors recommend the reappointment of the Statutory Auditors till the AGM of 2017. This is to be ratified at every Annual General Meeting till 2017.

INSURANCE:

The Company's Assets have been adequately insured.

DIVIDEND

Though the Company has earned small amounts of operational profit during the years 2010-2011, 2011-2012, 2012 - 2013 and 2013-2014 owing to accumulated losses of Rs.2099.06 lakhs as on 31st March 2014, no dividend could be declared under the Companies Act.

CORPORATE SOCIAL RESPONSIBILITY

Though your Company is not covered by Corporate Social Responsibility as per the Companies Act 2013, yet in its culture of being actively involved in Social responsibilities, emphasis will continue to be laid on this aspect.



ACKNOWLEDGEMENT

Your Directors place on record their thanks and appreciation to the employees of the Company at all levels, shareholders, agents and other business associates for their dedication and contribution to the Company's operations.

Your Directors place on record their thanks to The ICICI Bank Ltd., The Federal Bank Ltd., The State Bank of India, The Bank of India and The IDBI Bank for their valuable co-operation and support to the Company.

Place : Kannur
Date : 18.08.2014

On behalf of the Board
Chairman

Annexure –A to Directors Report

Particulars required as per Companies (Disclosure of particulars in the report of the Board of Directors) Rules, 1988.

CONSERVATION OF ENERGY (Not applicable for the year ended 31.03.2013 and 31.03.2014 as there were no manufacturing activities.)

FORM B

FORM OF DISCLOSURE OF PARTICULARS WITH RESPECT TO ABSORPTION OF RESEARCH AND DEVELOPMENT (R&D), TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION.

Though the Company is not in the field of manufacturing, yet the Company avails of internet facility and contributes to various Textile Technology publications which render the latest technological aspects and research outcome in the textile industry

FOREIGN EXCHANGE EARNINGS AND OUTGO

1	Activities relating to Exports Initiatives taken to increase exports and development of new export markets for products and services and export plans.	Steps are being taken to increase exports by exploration through internet facilities.
2	Expenditure in Foreign Exchange A) Used – on account of Traveling Activities relating to Exports	Nil
	- on import of spares etc	Nil
	- others (Commission)	Nil
	Total	Nil
3	B) Total earnings in Foreign exchange - on account of sales	NIL

Place : Kannur
Date : 18.8.2014

On behalf of the board
Chairman

ADDENDUM TO THE DIRECTORS' REPORT

Refer para of the Auditors' Report to the Members- Basis of qualified opinion

1 AS 28 impairment of assets:

Impairment loss of assets does not apply on our assets as the carrying cost does not exceed their recoverable value.

2 Confirmation of balances:

Letters were sent to the debtors for confirming the balances directly to the Statutory Auditors with a specific mention that if no reply was received, the balance mentioned in the Company's communication would be considered as correct. Some replies have been received through the Auditors. However having actively pursued the matter, in many cases the amounts outstanding have since been realized.

Annexure to Auditors' Report

(i) (a) Records of Fixed Assets

The Company has maintained proper records showing full particulars including quantitative details and location of the fixed assets. The records also stand updated.

(ix) (a) Delay in payment of statutory dues

As per the legal opinion received, on suspension of manufacturing operations and voluntary retirement of all employees of the Company, ESI was not implemented in the Company until after inspection and instruction by ESI authorities the scheme had to be implemented with retrospective effect. Accordingly the demand by ESI to pay contribution from April 2009 was received on 08/04/2014 and hence remained dues unpaid for more than six months. However on receipt of the demand, the entire amount of demand has since been paid.

(x) Accumulated losses of the Company:

Since suspension of operation of the Mill in 2003, the Company has been surviving through comparatively a far lesser income while the expenses including heavy interest burden on the working capital loans taken from the Consortium Banks have been constant until the same was settled through a onetime settlement arrangement after a few years. This led to heavy accumulated losses over the years. However, despite the limited operation through outsourcing, the Company's financial position is recovering after discharge of its major liabilities. Presently the operations are performed entirely by internal resources without any dependence on outside finance. Also having achieved a net profit of Rs19.38 lakhs during the year 2013-14, the accumulated losses stand reduced to that extent, which is indicative of a changed trend of growing financial strength of the Company.

Place: Kannur
Date: 19.8.2014

On behalf of the Board
CHAIRMAN

ANNEXURE –B to Directors Report

Registration No. : L17115KLI954PLC001709
Nominal Capital : Rs. 600 Lakhs

Compliance Certificate

To

The Members
Western India Cottons Limited
Pappinisseri, Pappinisseri P O, Cannanore, Kerala-670561

I have examined the registers, records, books and papers of **Western India Cottons Limited** as required to be maintained under the Companies Act, 1956, and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on **31st March, 2014**. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the company, its officers and agents, I certify that in respect of the aforesaid financial year:

1. The company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made there under and all entries there in have been duly recorded.
2. The Company has filed the forms and returns as stated in Annexure 'B' to this Certificate with the Registrar of Companies, Regional Director, Central Government, or other authorities during the financial year.
3. The company, being a public company, comments is not required.
4. The Board of Directors duly met 5 times on 03-05-2013, 17-08-2013, 25-09-2013, 09-11-2013 and 12-02-2014 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose
5. The company closed its Register of Members from 18-09-2013 to 25-09-2013 and necessary compliance of Section 154 of the Act has been made.
6. The Annual General Meeting for the financial year ended on 31-3-2013 was held on 25-09-2013 after giving due notice to the members of the company and the resolution passed thereat were duly recorded in Minutes book maintained for the purpose.
7. No extra ordinary general meeting was held during the financial year.
8. The company has not advanced any loans to its Directors or persons or firms or companies referred to under Section 295 of the Act.
9. The company has not entered into any contract falling within the purview of Section 297 of the Act.
10. The company was not required to make any entries in the register maintained under section 301 of the Act.
11. To the extent of information and explanation given to me there were no instances falling within the purview of Section 314 of the Act.

12. The Company has not issued any duplicate share certificates during the financial year.
13. (i) The Physical and dematerialized share transfer/ transmission is done by Registrar and Transfer Agents, Cameo Corporate Services Ltd. as per direction of SEBI. There was no allotment of securities during the financial year.
(ii) The company was not required to and has not deposited any amount in a separate bank account as no dividend/interim dividend was declared during the year under scrutiny.
(iii) The company was not required to post warrants to any member of the company as no dividend was declared during the financial year.
(iv) The company was not required to and has not transferred any amount to Investor Education and Protection Fund during the year under scrutiny.
(v) The company has duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the company is duly constituted. There was no appointment of additional Director, alternate directors and directors to fill casual vacancies during the financial year.
15. The company has not appointed any Managing Director/ Whole time Director/ Manager during the financial year.
16. The company has not appointed any sole-selling agents during the year under scrutiny.
17. As per the information & explanation given by the management, the company had no transaction, which necessitated the Company to seek any approval from the Central Government, Company Law Board, Regional Director, Registrar and/or such authorities prescribed under the various provisions of the Act during the financial year.
18. The Directors have disclosed their interest in other firms/ companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The company has not issued any shares, debentures or other securities during the financial year.
20. The company has not bought back any shares during the financial year.
21. There was no redemption of preference shares/debentures during the financial year as the company does not have any redeemable preference shares/debentures.
22. There was no transaction necessitating the company to keep in abeyance the rights to dividends, right shares and bonus shares pending registration of transfer of shares.
23. The company has not invited/accepted any deposits including any unsecured loan falling within the purview of sections 58A read with Companies (Acceptance of Deposit) Rules, 1975. I have been informed that the amounts shown in the Balance Sheet of the company under the head short term borrowings, unsecured are from the Directors of the company.
24. The company has not made any borrowings during the financial year.
25. The company has not made loans and investments, or given guarantees or provided securities to other bodies corporate during the year under review and consequently no entries have been made in the register kept for the purpose.
26. The company has not altered the provisions of the memorandum with respect to situation of the company's registered office from one state to another during the year under scrutiny.



- 27 The company has not altered the provisions of the memorandum with respect to the objects of the company during the year under scrutiny.
- 28 The company has not altered the provisions of the memorandum with respect to name of the company during the year under scrutiny.
- 29 The company has not altered the provisions of the memorandum with respect to share capital of the company during the year under scrutiny.
- 30 The company has not altered the Articles of Association during the financial year.
- 31 There was no prosecution initiated against or show cause notices received by the company and no fines or penalties or any other punishment was imposed on the company for offences under the Act during the period under scrutiny.
- 32 To the extent of information and explanation given to me the company has not received any amount as security from its employees during the financial year.
- 33 The company has not constituted a separate provident fund trust for its employees or class of its employees as contemplated under Section 418 of the Act.

Kannur
18-08-2014

Murali Kanniyath FCS
Practicing Company Secretary
S D Complex, 1st Floor
Room No.T P (N)-3/355
South Bazar, Po Civil Station
Kannur-670002
C P No. 7543

Annexure-A

Registers as maintained by the Company

1. Register of Member u/s 150.
2. Register of Directors, Managing Directors, etc. u/s 303.
3. Register of Directors Shareholding u/s 307.
4. Register of Contracts, Companies and firms in which Directors are interested u/s 301.
5. Register of Charges u/s 143.
6. Minutes of the Board Meetings u/s 193.
7. Minutes of the General Meetings u/s 193.
8. Minutes of the Audit Committee u/s 292A.

Annexure- B

Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Government or other authorities during the financial year ending 31st March 2014

Registrar of Companies

1. Compliance Certificate for the financial year ended on 31-3-2013, filed on 04-10-2013.
2. Annual Return u/s 159 made up to 25-09-2013, filed on 04-10-2013.
3. Balance sheet & Profit and Loss Account u/s 220 as on 31-3-2013, filed on 08-10-2013

REPORT ON CORPORATE GOVERNANCE

The Board of Directors is pleased to present the Report on the compliance of Corporate Governance for the financial year ending 31st March 2014.

COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE:

The Company firmly believes in and has consistently endeavored to practice good Corporate Governance. The Company's philosophy on Corporate Governance envisages the attainment of the highest levels of transparency, professionalism and accountability in all facets of its operations and in all its interactions with its stakeholders, including shareholders, employees, customers, the government and the lenders.

BOARD OF DIRECTORS:

During the year under report, the Board comprised of Executive and Non-Executive Directors. The Non-Executive Directors bring fresh air of independent judgment in the Board's deliberations and decisions.

Composition and category of Directors is as follows:

Category	Name of Directors/DIN
Executive Director	Shri. P K Shameem -1218800
Non- Executive Director	Shri A K Shereif - 2368732
Non-Executive Director	Shri T.T.P Mahamood- 411005
Independent Director	Shri A Ramachandra Shetty - 1215461
Independent Director	Shri R S Nair - 860125

BOARD MEETINGS AND ATTENDANCE:

Five Board meetings were held in the year 2013-2014 on the following dates:

Sl.No	Date of Meeting	Board Strength	No. of Directors attended
1	03.05.2013	5	5
2	17.08.2013	5	5
3	25.09.2013	5	5
4	09.11.2013	5	5
5	12.02.2014	5	4

The Agenda and the papers for consideration at the Board meeting are circulated at least 7 days prior to the meeting. Adequate information is circulated as part of the Board paper and is also made available at the Board meeting to enable the Board to take informed decisions. Attendance of each Director at the Board meeting and last Annual General Meeting (AGM) and the number of Companies and Committees where he is Director/Member are given below: None of the Directors is disqualified. Necessary disclosures have been made by the Directors stating that they do not hold any membership in more than 10 Committees or Chairmanship of more than 5 Committees in terms of clause 49 of the Listing Agreements.

Name of the Director	Attendance		No. of other Directorships and Company memberships		
	Board Meeting	Last AGM	Other Directorship including Pvt Ltd. Cos.	Other Committee Membership	Other Committee Chairmanship
P K SHAMEEM	5	Yes	2	None	None
A K SHEREIF	5	Yes	None	None	None
R S NAIR	5	Yes	2	None	None
A RAMACHANDRA SHETTY	4	Yes	1	None	None
T.T.P. MAHAMOOD	5	Yes	1	None	None

Audit Committee:

The Audit Committee was reconstituted on 13/01/2007 with Shri R S Nair, Shri Ramachandra Shetty and Shri P K Shameem as members.

The role, terms of reference and the authority and power of the Audit Committee are in conformity with the requirements of the Companies Act and the Listing Agreement.

The essential functions of the Committee include review of systems and procedures, overseeing the functioning of internal audit, the effectiveness of controls and regulatory compliances. It also reviews with management the Company's financial statements, and financial reporting process, disclosure of financial information and observations of auditors before submission to the Board. It recommends the appointment of Statutory Auditors and their fees.

The Committee may –

Investigate any activity within its terms of reference.

Seek information from any employee.

Obtain outside legal or other professional advice,

Secure attendance of outsiders with relevant expertise, if it considers necessary.

The Committee held four meetings during the year

The attendances of the members at the Audit Committee meeting held during the year were as follows:

- | | |
|-------------------------------|---|
| (1) Shri R.S.Nair | 4 |
| (2) Shri A.Ramachandra Shetty | 3 |
| (3) Shri P.K.Shameem | 4 |

Remuneration Committee:

The Company's Nomination and Remuneration Committee consists of the following:

1. Shri A.Ramachandra Shetty
2. Shri R.S.Nair
3. Shri A.K.Shereif

The terms of reference of the Remuneration Committee are:

1. To decide all elements of the remuneration package of all the Whole-Time Directors, i.e. salary, benefits, bonus, stock options, pension, etc.
2. To look into service contracts, notice period, severance fees etc.

The remuneration policy of the Company is positioned to rewarding and retaining high potential performers taking into account remuneration levels prevailing in comparable companies and the competitive requirements of the business.

Details of Remuneration:

The Non-Executive Directors received a sitting fee of Rs.2, 000/- per Board Meeting and Rs.2,000/- per Committee Meeting.

There was no need for the Committee to meet during the year.

Remuneration to the Managing Director:

No remuneration was paid to the Managing Director during the year as per the terms of his appointment, as considering the financial health of the Company, he himself declined to accept any remuneration.

Under the circumstances the disclosure under Rule 5 of the Companies (Appointment and Remuneration Managerial Personal) rules, 2014 is not required to be given.

DETAILS OF THE REMUNERATION PAID TO THE DIRECTORS FOR THE YEAR:

	BOARD MEETING	AUDIT COMMITTEE MEETING	TOTAL
P K SHAMEEM	—	—	—
A K SHEREIF	10,000	—	10,000
R S NAIR	10000	8000	18,000
A RAMACHANDRA SHETTY	8000	6,000	14,000
T.T.P. MAHAMOOD	10,000	—	10,000
TOTAL	38,000	14,000	52,000

STOCK OPTIONS AND PECUNIARY RELATIONSHIP:

No stock option has been given to any of the Directors.

STOCK OPTIONS

The Company does not have a scheme for grant of stock option to employees.

SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE

The Grievance Committee has been constituted with the following members.

- 1) Ramachandra Shetty, Chairman.
- 2) P K Shameem, Member
- 3) R S Nair, Member

Shareholders'/ Investors' Grievance Committee is authorised to:



1. Deal with all investor related issues including redressal of complaints from shareholders relating to transfer of shares, non- receipt of balance sheet etc.
2. To delegate such powers to company's officers, as may be necessary, including powers to approve transfers, transmissions, authenticate share certificates and to take other actions in relation to Shareholder related matters.

There were no complaints/grievances from shareholders during the year.

Name and designation of compliance Officer: Shri Suneed Hashir
(Works Manager)

GENERAL BODY MEETINGS

Last three Annual General Meeting held

AGM	Year	Location	Time
56 th	30 th Sept 2011	Regd. Office of the Company at Pappinisseri 670 561	10.30AM
57 th	27 th Sept 2012	Regd. Office of the Company at Pappinisseri 670 561	11.00 AM
58 th	25 th Sept 2013	Regd. Office of the Company at Pappinisseri 670 561	11.00 AM

Details of Special Resolution passed at AGM during the last three years:

56th AGM held on 30/09/2011 : NIL

57th AGM held on 27/09/2012 : NIL.

58th AGM held on 25/09/2013 : NIL

POSTAL BALLOT

During the year under report there was no business which had to be conducted through postal ballot.

Disclosures

Disclosures on materially significant related party transactions ie transaction of the company of material nature, with its promoters, the Directors or the Management, their subsidiaries or relatives etc that may have potential conflict with the interest of the Company at large.

- i. During the year, the Company had not entered into any transaction with any of the related parties, which were in conflict with the interest of the Company.
- ii. Details of Non-compliance by the company, penalties, strictures imposed on the company by stock exchanges or SEBI or any statutory authority on any matter related to capital markets during the last year - None.
- iii. Whistle Blower policy and affirmation that no personnel has been denied access to the Audit Committee.

The Company has **WHISTLE BLOWER POLICY** which has been communicated to the employees. The policy provides a mechanism for employees to report their concerns about unethical behavior, actual or suspected, fraud or violation of company's code of conduct and provides safeguards against victimization of employees who avail the mechanism.

- iv) Details of compliance with mandatory requirements and adoption of the non- mandatory requirements of this clause.

The Company is complying with mandatory requirements of clause 49 of the Listing Agreement. As far as the seven non-mandatory requirements are concerned, the Board has set up a Remuneration Committee and also adopted a Whistle Blower Policy, which enables the employees to report concerns about unethical behavior, actual or suspected, fraud or violation of Company's code of conduct. The policy provides direct access to the Chairman of the Audit Committee under certain circumstances. The policy has been communicated to the employees. Remaining non-mandatory requirements of Clause 49 are expected to be addressed in due course.

MEANS OF COMMUNICATION

Immediately after the approval by the Board of Directors, the financial results are transmitted to the Stock Exchanges where the shares of company are listed.

The company has paid annual listing fees to Cochin Stock Exchange and adequate provision has been made for payment to the The Bombay Stock Exchange.

GENERAL SHAREHOLDER INFORMATION

Annual General Meeting 2014	Date : 26.09.2014										
Financial Calendar: (Tentative)											
a) Date of Book Closure	The Share Transfer Books of the Company will remain closed from 19.09.2014 to 26.09.2014 both dates inclusive.										
b) Financial Results	<table> <thead> <tr> <th>Result for the period</th> <th>Expected date of Completion</th> </tr> </thead> <tbody> <tr> <td>First Quarter</td> <td>13th August, 2014</td> </tr> <tr> <td>Second Quarter & Half-Yearly</td> <td>14th November, 2014</td> </tr> <tr> <td>Third Quarter</td> <td>14th February, 2015</td> </tr> <tr> <td>Audited Financial Result</td> <td>30th June, 2015</td> </tr> </tbody> </table>	Result for the period	Expected date of Completion	First Quarter	13 th August, 2014	Second Quarter & Half-Yearly	14 th November, 2014	Third Quarter	14 th February, 2015	Audited Financial Result	30th June, 2015
Result for the period	Expected date of Completion										
First Quarter	13 th August, 2014										
Second Quarter & Half-Yearly	14 th November, 2014										
Third Quarter	14 th February, 2015										
Audited Financial Result	30th June, 2015										
c) Listing in Stock Exchanges	<ol style="list-style-type: none"> 1. Cochin Stock Exchange Ltd., MES Building, Kaloor, Cochin-682 012. 2. Mumbai Stock Exchange Ltd. Phiroze Jeejabhoy Tower, Dalal Street, Mumbai – 400 004. 										

Name of Depositories with whom the Company has entered into Agreement:

National Securities Depository Ltd. (NSDL)

ISIN Code INE-078F01017

Trade World, 4th Floor, "A" Wing, Kamala Mills Compound

Senapati Bapat Marg, Lower Parel,

Mumbai 400 013

Ph.4972964-70, 4972980, Fax 91 22497 2993, 497 2979

E mail:cbbhave@nsdl.co.in

Central Depository Services (India) Ltd.,

ISIN Code INE – 078F01017

Phiroze Jeejeebhoy Towers

16th Floor, Dalal Street

Mumbai 400 001

Ph.022 7233333

Fax 022 22722072

Registrar and Transfer Agents

(Share Transfer and communication regarding Share Certificates, Dividends and change of Address)

Cameo Corporate Services Ltd.,

Subramanian Building

No.1 Club House Road

Chennai 600 002

Tel. No.04428460390 (6 lines)

Fax no.044 28460129

E mail: cameo@cameoindia.com

Contact person Mr P.Muralidharan, Asst. Manager (Shares)

The physical transfer of shares, which was handled by the company directly, has also been handed over to the Registrars and Transfer Agent/s Cameo Corporate Services, Chennai as per direction of SEBI.

Shareholders may contact/write to the Secretarial Department of the Company for assistance/information when required.

Distribution on shareholding as on 31.03.2014

No. of shares held	No. of shareholders	% of shareholders	No. of shares	% of shareholding
10-5000	1142	73.82	312375	6.9520
5001-10000	187	12.09	177600	3.9525
10001 – 20000	42	2.710	68000	1.5133
20001 – 30000	33	2.14	88180	1.9624
30001 – 40000	17	1.10	61120	1.3602
40001 - 50000	22	1.43	101100	2.2500
50001 – 100000	28	1.80	226847	5.0485
100001 – And above	76	4.92	3458058	76.9606
TOTAL	1547	100.00	4493280	100.00



PATTERN OF SHAREHOLDING AS ON 31ST MARCH 2014

S. No.	Category	No. of Holders	No. of shares	% of shares
A	Promoter's Holding			
1	Promoters - Indian Promoters - Foreign Promoters	133	3141760	69.94
2	Persons acting in concert			
B	Non-Promoters Holding			
3	Institutional Investors			
a	Mutual Fund			
b	Banks, Financial Institutions, Insurance Companies(Central/State Govt. Institutions/Non-Government Institutions)	1	100000	2.25
c	FII's			
d	Foreign Institutional Investment (Foreign Company)			
4	Others			
a	Private Corporate Bodies	6	7800	0.17
b	Indian Public	1256	1053520	23.34
c	NRI / OCBs	151	190200	4.30
	Total	1547	4493280	100.00

Registered Office & Mills

Pappinisseri 670561
Kannur Dist, Kerala**NUMBER OF SHARES HELD BY DIRECTORS:**

The Shareholding of the Directors as on 31.03.2014 is given below:

1	Shri P K Shameem	252977
2	Shri T.T.P.Mahamood	22400

Confirmation of Code of Conduct

Pursuant to Clause 49 of the Listing Agreement, all the Members of the Board and senior managerial personnel have affirmed compliance with the Code of Conduct framed by the Company.

The above report was adopted by Board of Directors at their meeting held on 13-05-2014

MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT**1) Industry Structure and Development:**

The Indian Textile Industry suffers from lack of stability in availability of raw material, high input cost and cost of conversion and low technology. The cheap goods coming from China and other neighboring countries in volumes has affected the overall business. Only Companies having latest technology with mass production capacity and strength of capital can survive.



2) Risks, Concerns, Opportunities, and Threats.

The prices of raw materials were shooting up without any corresponding increase in the price of the finished products. The increase in cost of power, fuel, licence fees and levies by the Government resulted in increased manufacturing cost. The labour-laws prevailing in Kerala are very stringent to ensure smooth manufacturing process whereas in neighboring states they are flexible. Apart from non availability, the cost of labour is also comparatively very high and hence uneconomical.

The high cost of cotton affects the price of the finished products and hence are beyond the reach of the common man. This has affected the cotton textile business adversely.

Despite such adversities, the Company has been able to make its presence felt in the market though comparatively in a smaller way which is attributable to its long standing reputation, credibility and quality orientation.

The rent income during the year really came to the rescue of operational needs of the Company. Continuous efforts are on hand to increase the rent income by improving, including modernizing the godown facilities.

3) Segment-wise or Product-wise Performance Outlook

Since the company has been in the field of high quality textiles, trading operations could be carried out in a large scale only by considerably increasing the product profile from its present very few items of bleached mull. This involves very high degree of financing and risk bearing for which resources have to be found. Immediate possibility borrowing is ruled out in view of the present performance level of the Company. May be with the expected increase in rent income which has proven to be an encouraging source, increasing the product profile can be considered

4) Industrial Relations

As there was no manufacturing operation due to suspension of operations, there were no dealings with the factory employees.

5) Internal Control System

The Company has a well defined internal control system. Transactions are authorized and correctly reported. Control Systems are periodically reviewed by the Management and the Audit Committee. The Board is of the view that the existing control methods are operating satisfactorily and monitoring procedures are in place.

6) Material Development in Human Resources and Industrial Relations including Number of people Employed :

Owing to the suspension of operations, since 2003 the Company's business is restricted to outsourcing the products on a reduced scale. The operations are conducted through less than 10 nos. of staff from an office located in the town. The Staff are well trained under the umbrella of ISO,experienced and highly exposed to quality assurance and marketing strategy.

7) Discussion on Financial performance with regard to operational performance.

The Company concentrated on trading operations resulting in sales revenue of Rs.396.81 lakhs. However the rent income of Rs.65.97 lakhs received during the year came to the

rescue and after meeting expenses towards fixed overheads and other related expenses as for an ongoing Company including maintenance of buildings in the Mill premises, which together would have been otherwise an expensive liability, your Company could earn a net profit of 19.38 Lakhs

8) Cautionary Statement:

Statements in this report on Management's Discussion and Analysis describing the Company's objectives, projections, estimates, expectation or predictions may be forward looking. These results are based on certain assumptions and expectation of future events. Actual results may however differ materially from those expressed or implied. Important factors that could make a difference to the Company's future operations include global and domestic demand, raw material cost and availability, finished goods prices, changes in Govt. regulations and Tax laws, economic conditions within India and the countries with which the Company had business contacts and other environmental factors over which the Company does not have any control. Also the godown spaces leased out could not be a source of continuous income unless the buildings and facilities are restructured to suit the renewed requirement of modern godowns, which involves considerable investment.

9) Statutory Compliance:

The Company has continued its subscription to the Cochin and Bombay Stock Exchanges and has ensured compliance of SEBI regulations and provisions, within the restricted operational feature after suspension of operation of the Mill in 2003.

10) Information on non Mandatory requirements.:

1. The Company has not issued any GDR\ADR\Warrants or any convertible Instruments
2. The Company is not maintaining a separate office for the Chairman

On behalf of the Board

Place: Kannur
Date: 18.8.2014

Chairman

No.R 51

19 August 2014

**AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE
CONDITIONS OF CORPORATE GOVERNANCE UNDER
CLAUSE 49 OF THE LISTING AGREEMENT(S)**

To

The Members of the Western India Cottons Ltd. Pappinisseri

We have examined the compliance of the conditions of corporate governance by The Western India Cottons Ltd., Pappinisseri for the year ended 31st March, 2014 as stipulated in clause 49 of the listing agreements of the said company with the stock exchanges in India.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of corporate governance as stipulated in the above mentioned listing agreements, *except that the quarterly compliance reports to stock exchanges have not been submitted as required under sub clause VI (ii) of clause 49 of the Listing Agreement.*

We state that no investor grievances are pending against the company as per the certificate obtained from the registrar and share transfer agents.

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 T.K. Menon & Co.,
Chartered Accountants.
Firm Regn. no:002067S

P.Balagopal
Partner
Membership No.022290

INDEPENDENT AUDITOR'S REPORT

To the members of The Western India Cottons Limited, Pappinisseri.

Report on the Financial Statements

We have audited the accompanying financial statements of THE WESTERN INDIA COTTONS LIMITED, PAPPINISSERI ("the Company"), which comprise the Balance Sheet as at 31st March, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Basis for Qualified Opinion

1. *The impairment loss, if any, in respect of assets has not been assessed and adjusted in the accounts as required in the Accounting Standard, 'AS 28-Impairment of Assets'.*
2. *Confirmation in respect of balances outstanding under trade receivables, advances and liabilities has not been obtained.*



Qualified Opinion

In our opinion, and to the best of our information and according to the explanations given to us, *except for the effects of the matters stated in the Basis for Qualified Opinion paragraph*, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Companies Act, 1956, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. in our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
 - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. *Except for the effects of the matters stated in the Basis for Qualified Opinion paragraph*, in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - e. On the basis of written representations received from the directors as on 31st March 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956, nor has it issued any Rules under the said section prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For T.K. Menon & Co.,
Chartered Accountants.
Firm Regn. no:002067S

P.Balagopal
Partner
Membership No.022290

ANNEXURE TO AUDITORS' REPORT

Referred to in our report of 19 August, 2014

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. *But, the records have not been updated.*
- (b) The fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification.
- (c) The company has not disposed of a substantial part of the fixed assets during the year.
- (ii) (a) The inventory has been physically verified by the management during the year. In our opinion the frequency of verification is reasonable.
- (b) The procedures laid down by the management for physical verification of inventory are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) The company is maintaining proper records of inventory. The discrepancies noticed on physical verification of stocks as compared to book records were not material and have been properly dealt with in the books of account.
- (iii) (a) The company has not granted any loan, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (b) The company has taken unsecured loan from a director. The maximum amount of the loan during the year was Rs.24 lakh and the year-end balance was Rs.19 lakh. The company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (c) No interest is charged on the loan taken from the director. In our opinion, the other terms and conditions on which the loan has been taken from the director are not, *prima facie*, prejudicial to the interest of the company.
- (d) The principal amount of the loan taken from the director was partly repaid by the company during the year.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- (v) (a) According to the information and explanations given to us, there were no contracts or arrangements referred to in section 301 of the Companies Act, 1956 to be entered in the register required to be maintained under that section.
- (b) The company did not have any transaction exceeding the value of five lakh rupees with any party in pursuance of contracts or arrangements to be entered in the register maintained under section 301 of the Companies Act, 1956.
- (vi) The company has not accepted deposits from the public.
- (vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- (viii) The Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under section 209(1)(d) of the Companies Act, 1956 are not applicable to the company. The company was not, therefore, required to maintain cost records.
- (ix) (a) The company was regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, income tax, sales tax, service tax and other statutory dues during the year. *There was delay in remittance of employees' state insurance dues.* According to the information and explanations given to us,



no undisputed amounts payable in respect of statutory dues were in arrears, as at 31 March, 2014 for a period of more than six months from the date they became payable other than employees' state insurance amounting to Rs.97,335/-.

- (b) According to the information and explanation given to us, the following disputed amount of incometax was not deposited with the appropriate authority as at 31 March, 2014:

Nature of statute	: Incometax
Nature of dues	: Incometax and interest
Amount	: Rs.1,23,48,110/-
Period for which the amount relates	: 2010-'11 (Assessment year 2011-'12)
Forum where dispute is pending	: Commissioner of Incometax (Appeals), Kozhikode

There are no dues of salestax, wealthtax, service tax, customs duty and excise duty which have not been deposited on account of dispute.

- (x) *The accumulated losses of the company are more than fifty percent of its net worth as at 31 March, 2014.* The company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (xi) The company has not defaulted in repayment of dues to any financial institution or bank. The company has not issued debentures.
- (xii) The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xiv) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xv) According to the information and explanations given to us the company has not given guarantees for loans taken by others from banks or financial institutions.
- (xvi) According to the information and explanations given to us, the company has not raised any term loan during the year.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) According to the information and explanations given to us, the company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- (xix) According to the information and explanations given to us, the company has not issued any debentures during the period covered by our audit report.
- (xx) The company has not raised any money by public issues during the period covered by our audit report.
- (xxi) 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.

For **T.K. Menon & Co.**,
Chartered Accountants.
Firm Regn. No: 002067S

P.Balagopal
Partner
Membership No.022290



THE WESTERN INDIA COTTONS LTD
PAPPINISSERI-670561

BALANCE SHEET AS AT 31ST MARCH 2014

Particulars	Note No	31-Mar-2014	31-Mar-2013
I	2	3	4
I. EQUITY AND LIABILITIES		Rs	Rs
1 Shareholders' Funds:			
(a) Share Capital	1	49294360	49294360
(b) Reserves and Surplus	2	-732157	-2250611
2 Non-current Liability			
Deferred tax Liability (net)		363225	784370
3 Current Liabilities			
(a) Short-term borrowings	3	1900000	2400000
(b) Trade payables	4	6118758	6979357
(c) Other current liabilities	5	16110840	16425081
(d) Short-term provisions	6	5100000	5100000
TOTAL		78155026	78732557
II. ASSETS			
Non-current assets			
1 (a) Fixed assets			
Tangible assets	7	56677250	56163203
(b) Non Current investments	8	117000	117000
(c) Longt-term loans and advances	9	172068	158780
2 Current assets			
(a) Inventories	10	6700541	10504155
(b) Trade receivables	11	5195337	4287307
(c) Cash and cash equivalents	12	7743654	5921524
(d) Short-term loans and advances	13	1549176	1580588
TOTAL		78155026	78732557
Notes to accounts	I to 32		

As per report attached

P.K.Shameem (DIN: 1218800)
Chairman cum Managing Director

For **T.K.Menon & Co**
Chartered Accountants

A.K.Shereif (DIN: 2368732)
Director
Kannur
Date : 18th August 2014

P.Balagopal
Partner
Calicut:
(Membership No: 022290)

THE WESTERN INDIA COTTONS LTD
PAPPINISSERI-670561

STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 31st MARCH 2014

Particulars	Note No.	31-Mar-2014 Rs	31-Mar-2013 Rs
Revenue from operations	14	39681358	38867947
Other income	15	9394089	6737432
Total Revenue		49075447	45605379
Expenses:			
Purchase of Stock-in-Trade	16	31009242	35074047
Changes in inventories of finished goods, work-in-progress and stock in trade	17	3803613	-2418869
Employee benefits expense	18	1971810	1705580
Finance costs	19	49051	851703
Depreciation and amortization expense		376424	376166
Other expenses	20	10348095	8121273
Total expenses		47558235	43709900
Profit before tax		1517212	1895479
Tax expense:			
Current tax		0	0
Deferred tax		0	473876
Deferred tax provision reversed		421145	0
Profit for the year after tax		1938357	1421603
Earnings per equity share:			
Basic		-	-
Diluted		-	-
Notes to accounts	I to 32		

As per report attached

P.K.Shameem (DIN: 1218800)
Chairman cum Managing Director

For **T.K.Menon &Co**
Chartered Accountants

A.K.Shereif (DIN: 2368732)
Director
Kannur
Date : 18th August 2014

P.Balagopal
Partner
Calicut:
(Membership No: 022290)

THE WESTERN INDIA COTTONS LTD
PAPPINISSERI-670561

NOTES TO ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2014

Note No.	Particulars	31 March 2014 Rs	31 March 2013 Rs
I	SHARE CAPITAL		
	<u>Authorised shares</u> 60,00,000 Equity shares of Rs. 10/- each (Previous year 60,00,000 Shares)	60000000	60000000
	<u>Issued shares</u> 5274080 Equity shares of Rs 10/- each (Previous Year 5274080 Equity Shares)	52740800	52740800
	<u>Subscribed and Paid up:</u> 4493280 Equity shares of Rs10 each (Previous year 4493280 Equity Shares)	44932800	44932800
	<u>Forfeited Shares</u> (Amount paid up on 780800 equity shares forfeited for non payment of allotment money. Previous year 780800 shares)	4361560	4361560
	Total	49294360	49294360

1.1 Reconciliation of shares at the beginning and at the end of the financial year.

	31-Mar-2014		31-Mar-2013	
	No. of shares	Rs.	No. of shares	Rs.
1. Equity Shares				
At the beginning of the period	4493280	44932800	4493280	44932800
At the end of the period	4493280	44932800	4493280	44932800
2. Forfeited Shares				
At the beginning of the period	780800	4361560	780800	4361560
At the end of the period	780800	4361560	780800	4361560

- 1.2** Terms/rights attached to equity shares Nil Nil
The company has only one class of equity shares. Each share has a paid up value of Rs. 10/- Every share holder is entitled to one vote per share.

1.3 List of shareholders holding more than 5% of the equity share capital:

Share holders name	No of shares held	% held	Total face value	No of shares held	% held	Total face value
Estate of K.L.Ramanathan	Nil	Nil	Nil	330160	7	3301600
P.K.Shameem	252977	6	2529770	252977	6	2529770
Valli Muthuraman	240000	6	2400000	240000	6	2400000

Note No	Particulars	31-Mar-2014 Rs	31-Mar-2013 Rs
2	RESERVES AND SURPLUS		
	Capital Reserve:		
	Remission of Secured Loans:		
	Balance as at 1-4-2013	72054637	72054637
	Add: Transfer from Statement of Profit an Loss	179122	0
		72233759	72054637
	Capital Profit On Sale of Assets:		
	Balance as at 1-4-2013	51642699	51642699
	Add: Transfer from Statement of Profit an Loss	95402	0
		51738101	51642699
	Central Subsidy		
	Balance as on 1.4.2013	1500000	1500000
	State subsidy for Generator		
	Balance as on 1.4.2013	615000	615000
	Revaluation Reserve:		
	Balance as at 1-4-2013	50937597	51705096
	Less: Transfer from Depreciation	419346	446990
	Less: Transfer to Asset Account	556	320508
		50517695	50937598
	Securities Premium:		
	Balance as at 1-4-2013	32570199	32570199
	Suplus:		
	Balance at debit as at 1-4-2013	-211570744	-212992347
	Less: Profit for the year	1938357	1421603
		-209632387	-211570744
	Add: Transfer to capital profit on sale of Assets	95402	0
	Transfer to Remission of Secured Loans	179122	0
		-209906911	-211570744
	Total	-732157	-2250611

2.1 The transfer from Surplus to Remission of Secured Loans represents adjustment for rectification of amount of fixed deposit with Canara Bank wrongly closed against one time settlement with the bank previously

3	Short-term borrowings		
	Other Loans and Advances:		
	Secured:	Nil	Nil
	Unsecured:		
	From Directors	1900000	2400000
	Total	1900000	2400000
4	Trade Payables		
	Liabilities for purchases	6118758	6979357
		6118758	6979357

4.1 a) Based on information available with the Company regarding the status of suppliers as defined under the Micro, Small Medium Enterprises Development Act 2006 and relied



upon by the auditors, there were no delays in payment and no amounts overdue and remaining unpaid to Micro, Small and Medium Enterprises on account of principal and as at the end of the year

b) Liability for purchases are subject to confirmation from the parties.

5	OTHER CURRENT LIABILITIES:	31-03-2014	31-03-2013
	Interest accrued and due on borrowings: On loan on fixed deposit from Bank of India	0	141410
	Other Payable: Liabilities for expenses	1169307	1056662
	Liabilities for others	8096922	8450486
	Customers credit balances	652301	1677657
	Security deposits	6192310	5098866
	Total	16110840	16425081

5.1	Liabilities for Expenses include amount due to Directors	160635	186136
5.2	Liabilities for others under current liabilities include amount payable to Gratuity Trust	310616	310616
5.3	Amounts to be credited to the Investor Education and Protection Fund Nil	Nil	

6	Short-term provisions		
	Provision for Taxation	5100000	5100000
		5100000	5100000

6.1 The period of service of all employees of the company being less than the statutory minimum required to be served for eligibility to gratuity, no provision is made in the accounts for the same

THE WESTERN INDIA COTTONS LTD
PAPPINISSERI-670561

7. FIXED ASSETS
NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2014

Asset	GROSS BLOCK			ACCUMULATED DEPRECIATION				NET BLOCK	
	As at 31 March 2013 Rs.	Additions Rs.	Deductions Rs.	As at 31 March 2014 Rs.	As at 31 March 2013 Rs.	Depreciation charge for the year Rs.	Deductions Rs.	As at 31 March 2014 Rs.	As at 31 March 2013 Rs.
TANGIBLE ASSETS									
LAND	45340512 [45340512]	0 [0]	0 [0]	45340512 [45340512]	0 [0]	0 [0]	0 [0]	45340512 [45340512]	45340512 [45340512]
BUILDING	23283518 [23283518]	1627390 [0]	0 [0]	24910908 [23283518]	14500905 [13895160]	583911 [605745]	0 [0]	9826092 [8782613]	8782613 [9388358]
PLANT & MACHINERY	4290237 [16004707]	0 [0]	820400 [11714470]	3469837 [4290237]	3209329 [13796327]	66442 [87895]	94607 [10674893]	288673 [1080908]	1080908 [2208380]
FURNITURE & FIXTURES	117031 [117031]	0 [0]	0 [0]	117031 [117031]	79226 [72813]	6413 [6413]	0 [0]	31392 [37805]	37805 [44218]
COMPUTERS	65500 [633700]	408220 [21800]	0 [0]	1063720 [655500]	558604 [525187]	50337 [33417]	0 [0]	454779 [96896]	96896 [108513]
ELECTRICAL FITTINGS	407957 [407957]	0 [0]	0 [0]	407957 [407957]	250481 [238375]	12053 [12106]	0 [0]	145423 [157476]	157476 [169582]
VEHICLES	869439 [869439]	0 [0]	0 [0]	869439 [869439]	202446 [124866]	76614 [77580]	0 [0]	590379 [666993]	666993 [744573]
TOTAL	74964194 [86658664]	2035610 [21800]	820400 [11714470]	76179404 [74964194]	18800991 [28652728]	795770 [823156]	94607 [10674893]	56677250 [56163203]	56163203 [58004136]

Note: 1. Gross Block as on 01-04-2013 includes Rs.603,40,314/- towards revaluation of Fixed Assets carried out during 1999-2000

2. The depreciation amount of Rs. 7,95,770/- includes extra depreciation on account of revaluation amounting to Rs.4,19,346/- which is transferred to Revaluation Reserve Account. The balance depreciation amounting to Rs. 3,76,424/- is charged to Statement of Profit & Loss in accordance with the provisions of the Companies Act

3. Figures in brackets pertain to the previous year.

P.K.Shameem

Chairman cum Managing Director

A.K.Shereif

Director

THE WESTERN INDIA COTTONS LTD
PAPPINISSERI-670561

NOTES TO ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2014

Note No	Particulars	31-Mar-2014	31-Mar-2013
		Rs.	Rs.
8	Non-Current Investments		
	Other Investments:		
	Investment in Equity Instruments:		
	Quoted (At Cost)		
	1440 Equity shares of Rs. 10/- each fully paid up including 540 bonus shares (Previous year 1440 shares)in IDBI Bank Ltd	117000	117000
	Total	117000	117000
8.1	Aggregate amount of quoted investments	117000	117000
	Aggregate market value of quoted investments	110160	133560
	No provision is made in the accounts for the diminution value being not of permanent nature		
9	Long-term loans and advances		
	Unsecured, Considered good:		
	Security Deposits	172068	148780
	Miscellaneous Advance	0	10000
	Total	172068	158780
9.1	Deposits includes amount deposited with Regional Joint Labour Commissioner against a claim for gratuity by employee	14671	14671
10	Inventories		
	Stock in Trade	6700541	10504155
	Total	6700541	10504155
10.1	Method of valuation of inventories-see note 32 (v)		
11	Trade Receivables		
	Unsecured ,considered good:		
	a) Debts outstanding for a period exceeding six months	14823	0
	b) Other Debts	5180514	4287307
	Considered doubtful :		
	a) Debts outstanding for a period exceeding six months	0	426746
	b) Other Debts	0	0
	Total	5195337	4714053
	Less: Provision for Doubtful Debts	0	426746
	Balance	5195337	4287307
11.1	Trade Debtors are subject to confirmation from the parties.		



12	Cash and bank balances :		
	Cash and Cash equivalents:		
	Cash on hand	14860	118025
	Balance with Banks		
	In current account	1557648	694767
	Other bank balance:		
	In fixed deposit account	6113479	4150000
	(Including fixed deposit with more than 12 months maturity, Rs Nil		
	Previous year, Rs Nil)		
	Interest accrued on fixed deposit	57667	958732
	Total	7743654	5921524
13	Short-term loans and advances		
	Unsecured, considered good: Advances recoverable in		
	cash or in kind or for value to be received	254680	283285
	Advances to Employees	39500	279921
	Prepaid expenses	81632	177901
	Advance Payment of Taxes and Duties	1173364	839481
		1549176	1580588
	Considered doubtful:		
	Advances recoverable in cash or in kind		
	or for value to be received	623382	623382
	Total	2172558	2203970
	Less: Provision for Doubtful Advances	623382	623382
	Balance	1549176	1580588
13.1	Advances for supply of raw materials and stores are		
	subject to confirmation from the parties		
14	Revenue from operations		
	Sale of products:		
	Cloth/Dothi cloth	36447804	33818466
	Lungi	3233554	4425056
	Other Operating income:		
	Processing Charges	0	624425
	Total	39681358	38867947
14.1	Earnings in Foreign Exchange		
	Export of goods on FOB basis		
	(i) Direct export	Nil	244375
	(ii) Export through Merchant Exporters	Nil	Nil
15	Other income		
	Interest	777825	1426413
	Dividend received	6084	2160
	Other non-operating income:		
	Rent	6597522	4200027
	Profit on sale of assets	119021	195931
	Foreign currency translation difference(net)	0	11294
	Value of fixed deposit with Canara Bank credited	179122	0
	Miscellaneous income	338254	41296
	Excess Provision for Doubtful Debts Written Back	426746	0
	Sundry Credit Balances Written Back	949515	860311
	Total	9394089	6737432



15.1	Provision for Doubtful Debts and Advances:		
	Opening Balance	1050128	2596173
	Add: Additional provision during the year	0	0
		1050128	2596173
	Less: Bad debts /advances written off	0	1546045
	Excess provision written back	426746	0
	Closing Balance	623382	1050128
15.2	Miscellaneous income includes		
	Amount received from Viswanikethan Community Development Centre towards settlement through court	323254	0
16	Purchase of stock in trade		
	Purchase of:		
	Cloth	22009121	26182831
	Lungi	2828902	2615307
	Made Ups	46640	395380
	Expenses on Purchases	6124579	5880529
	Total	31009242	35074047
17	Change in inventories of finished goods work-in-progress and Stock-in-trade		
	Opening Stock:		
	Stock In Trade	10504154	8085286
	Total	10504154	8085286
	Closing Stock:		
	Stock inTrade	6700541	10504155
	Total	6700541	10504155
	Decrease/Increase in inventories	3803613	-2418869
18	Employee benefits expense		
	Salaries and wages	1632995	1526528
	Bonus	26237	36403
	Contribution to Provident and other funds	181589	63138
	Welfare expenses	130989	79511
	Total	1971810	1705580
18.1	Employee benefits:-		
	Defined Contribution Scheme:		
	Provident Fund Contibution	63732	63138
	Employees State Insurance	44237	0
	The company did not have any defined benefit scheme in operation during the year.		
19	Finance cost		
	Interest on loan on fixed deposit	45197	851557
	Interest on others	3854	146
	Total	49051	851703



20	Other expenses		
	Consumption of stores and spares	20166	127410
	Processing Charges	0	624425
	Power and Fuel	221275	248452
	Rent	87850	78000
	Building repairs	2996324	857352
	Machinery repairs	10500	25329
	Maintenance of Vehicles	559677	531330
	Sundry repairs	976412	317022
	Insurance	118481	118454
	Rates, taxes and licence fees	135565	283297
	Printing and stationery	123724	91509
	Postage,telegram and telephone	226213	216596
	Travelling expenses	482673	508919
	Advertisement expenses	26657	0
	Subscriptions,books and periodicals	82698	82115
	Directors sitting fees	52000	48000
	Auditor's Remuneration	202836	171590
	Professional and consultancy charges	100708	80329
	Loss on Sale of Assets	80208	0
	Donations	8300	23000
	Testing Charges	2278	8066
	Office Expenses	1318115	1077753
	Bank charges	13546	13503
	Miscellaneous expenses	323131	206462
	Brokerage and Commission	599131	575582
	Carriage outwards	102229	125304
	Selling Expenses	1477398	1551862
	Debit Balances Written Off	0	25616
	Advances written off	0	103996
	Total	10348095	8121273
20.1	a) Expenditure in Foreign Currency (on payment basis)		
	(i) On account of Travel	Nil	Nil
	(ii) Commission on exports and others	Nil	Nil
	b) Auditor's Remuneration		
	Audit fees	125000	120000
	Tax Audit fees	20000	19000
	Taxation Matters	33000	11000
	Expenses	2835	2714
	Service Tax on fees	22001	18876
		202836	171590
	c) Travelling expenses include expenditure of Directors	164613	254490
	d) Professional and consultancy charge include fee paid to company secretary	24000	25250
20.2	Depreciation has been calculated on the fixed assets of the company as per schedule XIV of the Companies Act, 1956 on the following basis.		
	a) Assets acquired on or before 31.03.1990		
	Written Down Value Method		
	b) Assets acquired on or after 01.04.1990 Straight Line Method		
	Cycles depreciated at 9.5(SLM) higher than the rate specified in schedule XIV:		



THE WESTERN INDIA COTTONS LTD
PAPPINISSERI-670561

NOTES TO ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2014

	<u>31 March</u> 2014	<u>31 March</u> 2013	
21 Major Components of Deferred Tax Assets & Liabilities			
Deferred Tax Assets:			
Unabsorbed depreciation under Income Tax Rules	571864	827386	
Deferred Tax Liability:			
Difference in written down value of Fixed Assets under Income Tax Rules and as per Books	935089	1611756	
Net Deferred Tax Liability /Assets	<u>-363225</u>	<u>-784370</u>	
Provision for Deferred Tax reversed to the Profit and Loss Statement	421145	Nil	
Provision for Deferred Tax	Nil	473876	
22 Value of Imports(CIF value on payment basis)			
(i) Raw Materials	Nil	Nil	
(ii) Stores & Spares	Nil	Nil	
(iii) Capital Goods	Nil	Nil	
23 Details of imported and indigeneous materials consumed during the year:			
Raw materials:	<u>Value</u>	<u>%</u>	<u>Value</u> <u>%</u>
Imported	Nil	Nil	Nil Nil
Indigenous	Nil	Nil	Nil Nil
Total	Nil	Nil	Nil Nil
Spare parts and components:			
Imported	Nil	Nil	Nil Nil
Indigenous	Nil	Nil	Nil Nil
Total	Nil	Nil	Nil Nil
24 Contingent Liabilities and commitments:			
Contigent liabilities		Nil	Nil
Income tax demand for the assessment year 2011-12 disputed in appeal		12348110	Nil
Commitments:			
The estimated amount of contracts remaining to be executed on capital account and not provided for on capital account and not provided for		Nil	Nil
25 The company suspended manufacturing operation on 14 th November 2003.			



- 26 Expenditure/income relating to prior year debited/credited to the Profit and Loss account:
Expenditure:
Contribution to ESI Scheme for the period 2009-10 to 2012-13 73620 Nil
Bonus 2012-13 1737 Nil
Income:
Interest on Fixed deposit with Canara Bank 131738 Nil
- 27 A sum Rs 67,78,682/- was recovered during the year 2010-2011 towards the decree awarded by the sub court, Thalassery in CP (ARB) No 8 of 2005 on 21-07-2007. The appeal by KSEB disputing the award before the High Court of Kerala is pending orders. The amount released is an inchoate payment and is kept under sundry creditors.
- 28 The Chairman cum Managing Director was re appointed for two years with effect from 9th August 2012.
No remuneration is payable to the Managing Director as per the terms of appointment.
- 29 Earnings per share:
- | | <u>31-Mar-2014</u> | <u>31-Mar-2013</u> |
|-------------------------|--------------------|--------------------|
| Basic Profit after tax | Rs 19,38,357 | Rs 14,21,603 |
| Number of equity shares | 4493280 | 4493280 |
| Basic EPS | - | - |
- Diluted earnings per share is not calculated and disclosed as there are no 'dilutive potential 'equity- shares
- 30 No provision is made for taxation for the current year in view of unabsorbed depreciation of earlier years.
- 31 Figures for the previous year have been regrouped wherever necessary to conform to this year's classification and the figures given in brackets for item No.5 (a) & (b) represent previous year's figures'
- 32 **Significant Accounting Policies**
- i) The Company has been consistently following accrual method in accounting its income and expenditure. The accounting is on the basis of going concern concept.
 - ii) The values of fixed assets have been arrived at on historical cost including sales tax and other expenses incurred and as reduced by Cenvat credits.
 - iii) Depreciation has been charged in the accounts as per schedule XIV of Companies Act, 1956. From the year 1990-91 and onwards, depreciation has been calculated on Straight Line Method on additions made to the fixed assets and on Written Down Value Method for assets put into use prior to that date.
 - iv) Investments are valued at cost
 - v) Stock of raw materials, stores and spares, finished goods and stock in trade are valued at cost or net realisable value whichever is lower. Cost assigned for valuation of stores and spares is on weighted average basis and of raw materials, finished



goods and stock in trade on first in first out basis, after providing for diminution in value of obsolete/damaged and slow moving items.

- vi) Revenue from sales transactions is recognised as and when the property in the goods is transferred to the buyer for a definite consideration. Export incentives are recognised on accrual basis.
- vii) Contingent liabilities are generally not provided in the accounts and are shown in item No.24 of notes attached to and forming part of financial statements.
- vii) Deferred tax is recognised on the timing differences between the accounting income and taxable income for the year and quantified on the basis of tax rates enacted as on the date of Balance Sheet.

P.K.Shameem (DIN: 1218800)
Chairman cum Managing Director

A.K.Shereif (DIN: 2368732)
Director
Kannur
Date : 18th August 2014

As per report attached

For **T.K.Menon &Co**
Chartered Accountants

P.Balagopal
Partner
Calicut:
(Membership No: 022290)



THE WESTERN INDIA COTTONS LTD
PAPPINISSERI-670561

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014

Particulars	2013-2014 Rs	2012-2013 Rs
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	1517212	1895479
Adjustment For:		
Depreciation	376424	376166
Interest Expense	49051	851703
Profit on Sale of Asset	-119021	-195931
Loss on Sale of Assets	80208	0
Dividend Income	-6084	-2160
Interest Income	-777825	-1426413
Sundry Credit Balances Written Back	-949516	-860311
Advances Written Off	0	103996
Debit Balances written off	0	25616
Operating Profit before Working Capital Changes	170449	768145
Adjustments for:		
Change in Inventories	3803614	-2418870
Change in Trade & Other Receivables	-889906	5851359
Change in Trade Payables & Other Liabilities	-225325	-163390
Cash Generated from operations	2858832	4037244
CASH FLOW FROM INVESTING ACTIVITIES		
Sale of Fixed Assets	764050	915000
Dividend Received	6084	2160
Purchase of fixed Assets	-2035610	-21800
Advance for Sale of Assets	0	-1265600
Net Cash Flow from Investing Activities	-1265476	-370240
CASH FLOW FROM FINANCING ACTIVITIES		
Decrease/Increase In Short Term Borrowings	-500000	-10282016
Interest Paid	-49051	-851703
Interest Received	777825	1426413
Net Cash used in Financing Activities	228774	574710
Net Increase In Cash And Cash Equivalents(A+B+C)	1822130	4241714
Cash and Cash Equivalents - Opening Balance	5921524	11961826
Cash and Cash Equivalents - Closing Balance	7743654	5921524

As per report attached

P.K.Shameem (DIN: 1218800)
Chairman cum Managing Director

For **T.K.Menon & Co**
Chartered Accountants

A.K.Shereif (DIN: 2368732)
Director
Kannur
Date : 18th August 2014

P.Balagopal
Partner
Calicut:
(Membership No: 022290)



THE WESTERN INDIA COTTONS LTD.

Regd. Office: Pappinisseri-670561, Kannur

CIN: L17115KLI954PLC0001709 TEL: 0497 2761353, E-mail: wicotton@eth.net

Notice of 59th Annual General Meeting

Notice is hereby given that the 59th Annual General Meeting of the Members of The Western India Cottons Ltd., will be held at the Company's Registered Office at Pappinisseri on Friday the 26th day of September, 2014, at 10.30 AM to transact the following business.

AS ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31.03.2014 and the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To re-appoint Mr A K Shereif (DIN: 02368732) who retires by rotation at this meeting and being eligible, offers himself for re-appointment.
3. To appoint auditors and to fix their remuneration and in this connection to consider and if thought fit to pass with or without modifications the following as Ordinary Resolution:

“RESOLVED that pursuant to the provisions of section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, M/S. T K Menon & Co., Chartered Accountants (Firm Registration No.002067S), be and is hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the sixty second AGM of the Company to be held in the year 2017 (subject to ratification of their appointment at every AGM), at such remuneration plus service tax, out-of-pocket, travelling and living expenses, etc., as the Board of Directors of the Company may fix in this behalf.”

AS SPECIAL BUSINESS:

4. To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:

“RESOLVED that pursuant to the provisions of sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, read with Schedule IV to the Act, as amended from time to time, Mr.A Ramachandra Shetty (DIN 01215461), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from 18.08.2014 up to 17.08.2019.”

5. To consider and if deemed fit to pass, with or without modifications, the following Resolution as an Ordinary Resolution:

“RESOLVED that pursuant to the provisions of sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder, read with Schedule IV to the Act, as amended from time to time, Mr.R.S.Nair (DIN: 860125), a

non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from 18.08.2014 up to 17.08.2019.”

6. To consider and, if thought fit to pass with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED that pursuant to the provisions of Section 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and Articles of Association of the Company and subject to the approval of Central Government or other Government authority/agency/board, if any, the consent of the shareholders of the Company be and is hereby accorded to re-appoint Mr. P.K Shameem as Managing Director of the Company for a period of three years with effect from 09.08.2014 without any remuneration until the 60th AGM, when the matter regarding payment of remuneration will be reviewed by the Remuneration Committee depending on the financial position of the Company and recommendation placed before the Annual General meeting for approval of the shareholders.

Date : 18.08.2014
Place : Kannur

By order of the Board
For The Western India Cottons Ltd.,
Chairman

Note:

1. Statement pursuant to Section 102(1) of the Companies Act, 2013 with respect to the special business set out in the Notice is annexed.
2. A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company.
3. Proxies in order to be effective must be deposited with the Company not less than 48 hours before the meeting.
4. Members attending the Annual General Meeting are requested to bring along with them their copies of the Annual Report, as the same will not be distributed at the meeting.
5. The Register of Members and Share Transfer Book of the Company will remain closed from 19th September 2014 to 26th September 2014 both dates inclusive.
6. Intimation of any change in address of members holding shares in physical mode should be informed immediately to the Company’s Share Transfer Agents :
M/s Cameo Corporate Services Ltd
“Subramanian Building”, No.1, Club House Road
Chennai-600002, Phone: 044 28460390
7. Members are also requested to inform the Company their e-mail address for communication, including Annual Report, electronically.

Explanatory Statement u/s. 102 of the Companies Act, 2013

Item No: 3

Though not mandatory, this explanation is provided for reference.

M/S. T K Menon & Co., Chartered Accountants (Registration Number 002067S with the Institute of Chartered Accountants of India), were appointed as the statutory auditors of the Company since 2004-05 and have completed a term of 9 years at the Annual General Meeting held on 25.09.2013

M/S. T K Menon & Co., Chartered Accountants is proposed to be re-appointed for three years. As per the provisions of section 139 of the Act, no listed company can appoint or re-appoint an audit firm as auditor for more than two terms of five consecutive years. Section 139 of the Act has also provided a period of three years from the date of commencement of the Act to comply with this requirement.

In view of the above, M/S. T K Menon & Co., Chartered Accountants being eligible for re-appointment and based on the recommendation of the Audit Committee, the Board of Directors has, at its meeting held on 18.08.2014, proposed the appointment of M/S. T K Menon & Co., Chartered Accountants as the statutory auditors of the Company for a period of three years to hold office from the conclusion of this AGM till the conclusion of the sixty-second AGM of the Company to be held in the year 2017 (subject to ratification of their appointment at every AGM).

The Board commends the Resolution at Item No. 3 for approval by the Members. None of the Directors or Key Managerial Personnel (KMP) or relatives of Directors and KMP is concerned or interested in the Resolution at Item No. 3 of the accompanying Notice

Items No: 4 & 5

Pursuant to the provisions of section 149 of the Act, which came into effect from April 1, 2014, every listed public company is required to have at least one-third of the total number of directors as independent directors, who are not liable to retire by rotation. The requirement for our Company would be two Independent Directors.

The Board has recommended the appointment of Mr.R.S.Nair (DIN: 860125) & Mr.A Ramachandra Shetty (DIN 01215461) as Independent Directors from 18.08.2014 up to 17.08.2019. Mr. Mr.R.S.Nair & Mr. A Ramachandra Shetty, Independent Directors of the Company, have given a declaration to the Board that they meet the criteria of independence as provided under section 149(6) of the Act. In the opinion of the Board, each of these directors fulfill the conditions specified in the Act and the Rules framed thereunder for appointment as Independent Directors and they are independent of the management.

In compliance with the provisions of section 149 read with Schedule IV of the Act, the appointment of these directors as Independent Directors is now being placed before the Members for their approval.

The terms and conditions of appointment of the above Directors shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

Item No: 6

Mr. P.K Shameem is Managing Director of the Company since 01.10.1980. His current term of appointment as Managing Director of the Company expired on August 8th, 2014. Taking into account his excellent grasp and thorough knowledge and experience of various aspects relating to the Company's affairs and long association with the Company as its Chief Executive, the Board of Directors is of the considered opinion that for smooth and efficient running of the business the services of Mr. P.K Shameem should be available to the Company for a further period of three years with effect from 9th September 2014 without any remuneration until the 60th Annual General meeting when the payment of remuneration will be reviewed.

By the order of the Board

Date: 19.08.2014
Place : Kannur

For The Western India Cottons Ltd
Chairman

**DETAILS OF INDEPENDENT DIRECTORS SEEKING RE- APPOINTMENT
(In Pursuance of clause 49 of the Listing Agreement)**

Name of the Director	A.Ramachandra Shetty	R.S Nair
Date of birth	24.04.1944	09.03.1947
Date of appointment	13.01.2007	13.01.2007
Qualifications	-	
Expertise in specific Functional area	Planter with vast business and managerial experience.	Vast experience in Finance and General Management.
Chairman/Director of other companies	Yenepoya Minerals & Granites Ltd, Director	Managing Director of Buena Vista Travels Pvt Ltd and Buena Vista International Pvt Ltd
Chairman/Member of committees of the Board of which he is a Director		
Shares held in WIC	-	
Nature of Directorship	Independent	Independant

DETAILS OF DIRECTOR RETIRING BY ROTATION AND SEEKING REAPPOINTMENT.

Name of the Director	A.K Shereif
Date of birth	19.12.1958
Date of appointment	31.07.2006
Qualifications	-
Expertise in specific Functional area	Vast experience in business management
Chairman/Director of other companies	
Chairman/Member of committees of the Board of which he is a Director	
Shares held in WIC	-
Nature of Directorship	Non Executive Director

DETAILS OF SHRI.P.K.SHAMEEM DIRECTOR RECCOMENDED BY THE BOARD FOR APPOINTMENT AS MANAGING DIRECTOR.

Name of the Director	P.K.Shameem
Date of birth	15.08.1949
Date of appointment	01.10.1980
Qualifications	
Expertise in specific Functional area	Vast experience in top management as Managing Director of a Composite Textile Mill for over 30 years
Chairman/Director of other companies	Director of Aysha Hosiery, and Travancore Coffee Co.Pvt Ltd
Chairman/Member of committees of the Board of which he is a Director	_____
Shares held in WIC	252977
Nature of Directorship	Executive

THE WESTERN INDIA COTTONS LTD.

Regd. Office : PAPPINISSERI, KANNUR – 670 561 - KERALA
CIN-L17115KLI954PLC0001709
Tel: 0497 2761353 Fax :0497 2702977. E-mail : wicotton@eth.net

FORM NO. MGT - 11

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s) :
Registered Address :
.....
E-mail ID :
Folio No. /Client ID : DP ID :

I/ We being the member(s) holding.....shares of the above named Company, hereby appoint:

- 1. Name :
- Address :
-
- E-mail ID :
- Signature : or failing him / her

- 2. Name :
- Address :
-
- E-mail ID :
- Signature : or failing him / her

- 3. Name :
- Address :
-
- E-mail ID :
- Signature :

As my / our proxy to attend and vote (on a poll) for me / us and on my/ our behalf at the 59thAnnual General Meeting of the Company, to be held on 26th day of September 2014.at 10.30 AM and at the registered office of the Company at Pappinisseri and at any adjournment thereof in respect of such resolutions set out in the Notice convening the meeting, as are indicated below:

Resolution No.1: To Consider and Adopt the Audited Balance sheet and the profit and loss account as at 31.03.2014

Resolution No.2. To re-appoint Mr A K Shereif who retires by rotation at this meeting and being eligible, offers himself for re-appointment.

Resolution No.3. To appoint auditors and to fix their remuneration

Resolution No.4. To appoint Mr.A Ramachandra Shetty, as an Independent Director of the Company.

Resolution No.5. To appoint Mr.R.S.Nair as an Independent Director of the Company

Resolution No.6. To re appoint Mr.P.K.Shameem as Managing Director of the Company

Signed this _____ of September,2014

Signature of the Proxy(s) holder(s)

*Revene
stamp*

Signature of
Shareholder

Note : This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

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