

**SREE JAYALAKSHMI ATUOSPIN LIMITED**  
**Regd Office "SANJANA" Davanagere Road, CHITRADURGA-577501**

**Notice of the Twenty Fourth Annual General Meeting**

Notice is hereby given that the Twenty Fourth Annual General Meeting of the Members of Sree Jayalakshmi Auto spin Limited will be held on Monday, 24th August, 2015 at 11.00 A.M. at 80/81, Kelagote (KIADB) Industrial area, Old NH-4, Chitradurga-577501 to transact the following business:

**Ordinary Business**

1. To receive, consider and adopt the Financial Statements of the Company for the year ended 31st March, 2015, including Audited Balance Sheet as at 31st March, 2015, the Statement of the Profit & Loss Account for the year ended on that date and Reports of the Board of Directors and Auditors thereon.
2. To appoint auditors and fix their remuneration.
3. To appoint a director in place of Sri. K.V. Prabhakar (DIN No. 01716813) who retires by rotation and eligible offers himself for re-appointment.
4. To appoint a director in place of Smt. U. Vijay Prabhakar (DIN No. 01885541) who retires by rotation and eligible offers himself for re-appointment.

**Special Business**

5. To consider and if thought to fit to pass with or without modification(s), the following Resolution as a **Ordinary Resolution**  
**RESOLVED THAT** pursuant to the provisions of Sections 149, 150,152 and any other applicable provisions of the Companies Act, 2013 and rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force ) read with Schedule VI of the Companies Act, 2013 and clause 49 of the Listing agreement Mr. Viswanath K Mannani (DIN:01675446) ,Director of the Company, in respect of whom the Company has received the notice in writing pursuant to section 160 of the Companies Act 2013 from a member proposing his candidature for the office of Director be and is hereby appointed as an Independent Director of the Company to hold office from 1<sup>st</sup> April 2015 to 31<sup>st</sup> March 2018.”
6. To consider and if thought to fit to pass with or without modification(s), the following Resolution as a **Ordinary Resolution**  
**RESOLVED THAT** pursuant to the provisions of Sections 149, 150,152 and any other applicable provisions of the Companies Act, 2013 and rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force ) read with Schedule VI of the Companies Act, 2013 and clause 49 of the Listing agreement Mr. T. Chandrasekhar (DIN: 03125409) ,Director of the Company, in respect of whom the Company has received the notice in writing pursuant to section 160 of the companies Act 2013 from a member proposing his candidature for the office of Director be and is hereby appointed as an Independent Director of the Company to hold office from 1<sup>st</sup> April 2015 to 31<sup>st</sup> March 2018.”
7. To consider and if thought to fit to pass with or without modification(s), the following Resolution as a **Ordinary Resolution**

**RESOLVED THAT** pursuant to the provisions of Sections 149, 150,152 and any other applicable provisions of the Companies Act, 2013 and rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force ) read with Schedule VI of the Companies Act, 2013 and clause 49 of the Listing agreement Mr. Ram Murthy (DIN: 03182301) ,Director of the Company, in respect of whom the Company has received the notice in writing pursuant to section 160 of the companies Act 2013 from a member proposing his candidature for the office of Director be and is hereby appointed as an Independent Director of the Company to hold office from 1<sup>st</sup> April 2015 to 31<sup>st</sup> March 2018.”

**8. To sell the textile spinning machinery**

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

“**RESOLVED THAT** pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 including any statutory modifications or any amendments or any substitution or re-enactment thereof, if any, for the time being in force and all other applicable Acts, laws, rules, regulations and guidelines for the time being in force; the consent of the Company be and is hereby accorded to the Board of Directors of the Company to sell the textile machinery related to spinning activities of the Company.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above Resolution, the Board of Directors of the Company be and is hereby authorized to take all such actions and to give all such directions and to do all such acts, deeds, matters and things as may be necessary and/or expedient in that behalf.”

**Date: 20.07.2015**

**Place: Chitradurga**

**By Order of the Board**

**K.V. Prabhakar**

**Managing Director**

**DIN No. 01716813**

**NOTES: 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE REGISTERED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.**

**2. The register of members and the share transfer books of the company will remain closed from 18-8-2015 to 24-8-2015. (Both days inclusive)**

**3. Members seeking any information with regard to accounts to write to the company early so as to enable the management to keep information ready.**

**4. Members proxies should bring the attendance slip sent here with duly filled for attending the meeting.**

**5. Members are requested to bring their copies of Annual report to the meeting.**

**6. The statement setting out the material facts relating to special business at the meeting pursuant to section 102 of the companies Act 2013 is annexed hereto**

**E-voting procedure;**

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

- (i) The voting period begins on Friday 21, 2015 at 9.00 A.M. and ends on Sunday 23, 2015 at 5.00 P.M... During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 18-8-2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

| <b>For Members holding shares in Demat Form and Physical Form</b> |  |
|---|--|
| PAN   | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"><li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li><li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li></ul> |
| DOB   | Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.  |
| Dividend Bank Details   | Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"><li>• Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li></ul>  |

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

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

**EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

**Item 5**

Mr. Viswanath K Mannani (DIN: 01675446 ) is a Non – Executive Independent Director and has held position from .26-9-2012.His period in office was liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act 1956.

Section 149(10) of the Companies Act, 2013 provides that an Independent Director shall hold office for a term up to five consecutive years on the Board. Further, the Ministry of Corporate affairs, by a notification, has clarified that if a company intends to appoint existing independent Directors as independent Directors under the Act, such appointment must be expressly made within one year

from 1<sup>st</sup> April, 2014. In view of the above, the Company has complied with the provisions of Company act 2013 and listing agreement by appointing Mr. Viswanath K Mannani as an Independent Director subject to the approval of the members.

Your Directors recommend the resolution for approval of the shareholders of the Company.

None of the Directors, Key Managerial personnel and Relatives of Directors/Key Managerial personnel except Mr. Viswanath K Mannani of the Company is interested in this resolution

**Item 6**

Mr. T. Chandrasekhar (DIN: 03125409 ) is a Non – Executive Independent Director and has held position from 26-9-2012. His period in office was liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act 1956.

Section 149(10) of the Companies Act, 2013 provides that an Independent Director shall hold office for a term up to five consecutive years on the Board. Further, the Ministry of Corporate affairs, by a notification, has clarified that if a company intends to appoints existing independent Directors as independent Directors under the Act, such appointment must be expressly made within one year from 1<sup>st</sup> April, 2014. In view of the above, the Company has complied with the provisions of Company act 2013 and listing agreement by appointing Mr. T. Chandrasekhar as an Independent Director subject to the approval of the members.

Your Directors recommend the resolution for approval of the shareholders of the Company.

None of the Directors, Key Managerial personnel and Relatives of Directors/Key Managerial personnel except Mr. T. Chandrasekhar of the Company is interested in this resolution

**Item 7**

Mr. Ram Murthy (DIN: 03182301) is a Non – Executive Independent Director and has held position from 26-9-2012. His period in office was liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act 1956.

Section 149(10) of the Companies Act, 2013 provides that an Independent Director shall hold office for a term up to five consecutive years on the Board. Further, the Ministry of Corporate affairs, by a notification, has clarified that if a company intends to appoints existing independent Directors as independent Directors under the Act, such appointment must be expressly made within one year from 1<sup>st</sup> April, 2014. In view of the above, the Company has complied with the provisions of Company act 2013 and listing agreement by appointing Mr. Ram Murthy as an Independent Director subject to the approval of the members.

Your Directors recommend the resolution for approval of the shareholders of the Company.

None of the Directors, Key Managerial personnel and Relatives of Directors/Key Managerial personnel except Mr. Ram Murthy of the Company is interested in this resolution

**Item No. 8**

The Board of Directors had decided on the meeting held on 20.07.2015 to sell the textile machinery of spinning activities because the company is incurring losses from the last ten years due to which capital; has been completely wiped out. Due to labor intensive industries, it is difficult to find labors. Further there have been fluctuations in the yarn market and poor demand in the market, which resulted in the decrease in the sale of the yarn. Textile industry is under recession from last nine months. Keeping in view the above challenges faced by the Company, the Board of Directors considers it prudent to discontinue the spinning activity and sell the machinery

Your Directors recommend the resolution for approval of the shareholders of the Company.

None of the Directors, Key Managerial personnel and Relatives of Directors/Key Managerial personnel of the Company are interested in this resolution.

**By Order of the Board**

**Date: 20.07.2015**

**Place: Chitradurga**

**K.V. Prabhakar  
Managing Director  
DIN No. 01716813**

**Information pursuant to Clause 49 (IV) (G) of the Listing Agreement regarding appointment of a new Director or /re-appointment of Directors:**

K.V. Prabhakar holds a master degree in social work. He has experience in cotton trading and textile industry. He is currently CMD of the Company, looks after the sales, purchase and finance of the Company.

|  |   |
|--|---|
| Name of Director   | K.V. Prabhakar  |
| Date of Birth  | 30.09.1957  |
| Date of Appointment  | 04.03.1991  |
| Specialized Expertise  | Looks after overall management of the Company   |
| Qualifications   | Master in Social Work   |
| Directorship of other Companies as at 31st March, 2015   | 1.The Union Theatres Private Limited<br>2.Sree Ganesar Textile Mills Limited<br>3.The Margarine Refined Oil Company Private Limited<br>4.Jaya Infotech Services Private Limited<br>5.Shree Vakrathunda Agri-Tech Private Limited<br>6.City Fort Finvest Limited<br>7.Sri Jagadguru Murugharajendra Infrastructure (India) Private Limited |
| Chairmanship/ Membership as at 31st March, 2015 in the Sree Jayalakshmi Auto spin Limited Limited          | Managing Director   |
| No. of shares held in the Company as on 31st March, 2015 in the Sree Jayalakshmi Auto spin Limited Limited | 635992  |

Vijaya Prabhakar is a BSc graduate and has a good experience in Human resource Department

|  |  |
|--|--|
| Name of Director   | U. Vijaya Prabhakar  |
| Date of Birth  | 19.07.1961   |
| Date of Appointment  | 29.01.2003   |
| Specialized Expertise  | Human Resource Development   |
| Qualifications   | Bachelor in Science  |
| Directorship of other Companies as at 31st March, 2015   | 1.Shree Vakrathunda Agri-Tech Private Limited<br>2.City Fort Finvest Limited |
| Chairmanship/ Membership as at 31st March, 2015 in the Sree Jayalakshmi Auto spin Limited Limited          | Director   |
| No. of shares held in the Company as on 31st March, 2015 in the Sree Jayalakshmi Auto spin Limited Limited | 652762   |

Viswanath K Mannani is an Ex-MLA from Soundathi Constituency. He has a vast experience in cotton trading, quality selection and actively involved in trading activity.

|                     |                     |
|---------------------|---------------------|
| Name of Director    | Viswanath K Mannani |
| Date of Birth       | 18.02.1960          |
| Date of Appointment | 28.01.2003          |

|  |                                      |
|--|--------------------------------------|
| Specialized Expertise  | Cotton Trading and quality Selection |
| Qualifications   | Bachelor in Arts                     |
| Directorship of other Companies as at 31st March, 2015   | Nil                                  |
| Chairmanship/ Membership as at 31st March, 2015 in the Sree Jayalakshmi Auto spin Limited Limited          | Director                             |
| No. of shares held in the Company as on 31st March, 2015 in the Sree Jayalakshmi Auto spin Limited Limited | 2500                                 |

T. Chandrashekhar is a Commerce graduate. He is expert in accounts and dealing with farmers in agricultural commodities like cotton and maize and oil seeds. He is an active member of rotary club.

|  |                      |
|--|----------------------|
| Name of Director   | T. Chandrashekhar    |
| Date of Birth  | 20.03.1969           |
| Date of Appointment  | 25.09.2009           |
| Specialized Expertise  | Accounts             |
| Qualifications   | Bachelor of Commerce |
| Directorship of other Companies as at 31st March, 2015   | Nil                  |
| Chairmanship/ Membership as at 31st March, 2015 in the Sree Jayalakshmi Auto spin Limited Limited          | Director             |
| No. of shares held in the Company as on 31st March, 2015 in the Sree Jayalakshmi Auto spin Limited Limited | Nil                  |

Mr. Ram Murthy is a BSC AFFI science graduate and has a good experience in administration and accounts

|  |                             |
|--|-----------------------------|
| Name of Director   | Mr. Ram Murthy              |
| Date of Birth  | 11.05.1948                  |
| Date of Appointment  | 25/09/2009                  |
| Specialized Expertise  | Accounts and Administration |
| Qualifications   | BSC AFFI science graduate   |
| Directorship of other Companies as at 31st March, 2015   | Nil                         |
| Chairmanship/ Membership as at 31st March, 2015 in the Sree Jayalakshmi Auto spin Limited Limited          | Director                    |
| No. of shares held in the Company as on 31st March, 2015 in the Sree Jayalakshmi Auto spin Limited Limited | Nil                         |

**Date: 20.07.2015**  
**Place: Chitradurga**

**By Order of the Board**  
**K.V. Prabhakar**  
**Managing Director**  
**DIN No. 01716813**

### **Directors' Report**

To,

The Members, Sree Jayalakshmi Auto Spin Limited  
Your Directors have pleasure in presenting their Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2015.

#### **1. Financial summary or highlights/Performance of the Company**

The Company's financial performance for the year under review along with previous year's figures are given hereunder :

**In Rupees**

| <b>Particulars</b>                  | <b>2014-2015</b> | <b>2013-14</b> |
|-------------------------------------|------------------|----------------|
| Gross Income                        | 11,55,37,942     | 18,13,27,158   |
| Profit Before Tax                   | (86,75,330)      | (33,19,212)    |
| Provision for Tax                   | Nil              | Nil            |
| Net Profit After Tax                | (86,75,330)      | (33,19,212)    |
| Balance of Profit brought forward   | (3,29,16,430)    | (3,04,39,139)  |
| Balance available for appropriation | (90,66,521)      | (24,77,291)    |
| Proposed Dividend on Equity Shares  | Nil              | Nil            |

**2. Dividend**

No Dividend is recommended for the current financial year due to loss incurred by the Company.

**3. Reserves**

Since the Company has incurred loss during the period under review, hence no amount is transferred.

**4. Brief description of the Company's working during the year/State of Company's affair**

The main activities of the Company are Spinning, Ginning and Cotton Trading. Company majorly deals in spinning. Ginning and trading activity, the cotton is purchased from farmers from APMC yards and that cotton is ginned and sold to spinning mills in south India and cotton seeds are sold to oil units in Karnataka and other states.

**5. Change in the nature of business, if any**

There were no changes in the nature of the business during the period under review.

**6. Material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report**

No material changes and commitments affecting the financial position of the Company occurred between the ends of the financial year to which these financial statements relate on the date of this report

**7. Details of Subsidiary/Joint Ventures/Associate Companies**

The Company does not have any Subsidiary, Joint venture or Associate Company.

**8. Deposits**

The Company has neither accepted nor renewed any deposits during the year under review.

**9. Auditors' Report**

The explanations made by the Board relating to the qualifications, reservations or adverse remarks made by the Auditors in their report are furnished below

The Auditors in their reports have expressed their opinion that company's entire net worth has been eroded. The company has incurred losses from last ten years continuously due to poor production in



spinning activity, recession in textile industry and non availability of labour. Three years back company incurred heavy losses in cotton business due to uncontrolled volatility in the prices. The entire industry was affected adversely. The company couldn't recover from the above losses.

#### **10. Share Capital**

No shares were allotted during the period under review. As on 31<sup>st</sup> March 2015 ,the Authorized Share Capital stood as Rs. 5, 00, 00, 000 /-( Rupees Five Crores only ) divided into 50, 00,000 (Fifty Lacs) Equity Shares of Rs. 10/- (Rupees Ten only) each and issued , Subscribed and paid up as on 31<sup>st</sup> March 2015 is Rs. 4,47,82,000/- (Rupees Four Crores Forty Seven Lacs and Eighty Two Thousand only) divided into 44,78,200 (Forty Four Lacs Seventy Eight Thousand Two Hundred )Equity Shares of Rs. 10 /-(Rupees Ten only) each

#### **11. Extract of the annual return**

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and administration) Rules, 2014 is furnished in **Annexure I** and is attached to this Report.

#### **12. Conservation of energy, technology absorption and foreign exchange earnings and outgo**

The detail in regard to the technology absorption is annexed as an **Annexure II**. There was no foreign exchange inflow or Outflow during the year under review.

#### **13. Corporate Social Responsibility (CSR)**

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable.

#### **14. Directors:**

##### **A). Appointment, Re-appointment and resignation of Directors**

No changes in the composition of the Board

##### **B) Declaration by an Independent Director(s) and re- appointment, if any**

The Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules.

#### **15. Formal Annual Evaluation of Board of Directors**

Pursuant to the governing provisions of the Companies Act, 2013 and clause 49 of the Listing Agreement, a formal evaluation was carried out by the Board of its own performance and that of its committees and individual directors. During the year under review, one meeting of the Independent directors was held wherein the performance of non-independent directors and the Board as whole were reviewed. The performance evaluation of committees and Independent Directors was carried out by entire Board excluding the director being evaluated. The Independent Directors also assessed the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Directors to effectively and necessarily perform their duties.

The final evaluation was thereafter deliberated and assessed taking into account inputs from the Board about evaluation of independent directors and various committees of the Board and suggesting action plan for improving Board performance and plan for next Board, its Committee(s) and individual director's evaluation.

**16. Number of meetings of the Board of Directors**

The Company had 10 Board meetings during the financial year under review which is mentioned in the Corporate Governance Report.

**17. Audit Committee**

As on 31<sup>st</sup> March 2015 Audit Committee consists of three non executive directors. The members of the Committee are Mr. Ram Murthy, V.K. Mamani and T. Chandrasekhar. The audit committee had met for five times in a financial year.

**18. Vigil mechanism /Whistle Blower policy**

The Whistle Blower policy is formulated to provide a vigil mechanism for Directors and Employees to raise the genuine concerns about unethical behavior, actual and suspected fraud and violation, actual or suspected fraud. It also provides for adequate safeguard against victimization of persons who use such mechanism.

**19. Nomination and Remuneration Committee**

Pursuant to Clause 49 of the Listing Agreement the company has constituted Nomination and Remuneration Committee comprising of Mr. Ram Murthy, V.K. Mamani and T. Chandrashekhara. The Details of the Committee is disclosed in Corporate Governance Report.

**20. Particulars of loans, guarantees or investments under section 186**

The particulars of Loans, guarantees or investments made under Section 186 are furnished in **Annexure III** and are attached to this report.

**21. Particulars of contracts or arrangements with related parties:**

The particulars of Contracts or Arrangements made with related parties made pursuant to Section 188 is furnished in **Annexure IV** and is attached to this report.

**22. Managerial Remuneration:**

None of the employees in the company is earning above five lakhs per months / Sixty Lacs per annum..

**23. Secretarial Audit Report**

Pursuant to Section 204 of the Companies Act 2013 and the Companies (Appointment and remuneration of Managerial Personnel) Rules 2014, the Company has appointed by Mr. G Shanker Prasad, a company secretary in practice to undertake the Secretarial Audit of the Company. A Secretarial Audit Report is annexed herewith as **Annexure V** with the report.

**24. Risk management policy**

The Company has adopted the adequate measures concerning the development and implementation of a Risk Management Policy after identifying the following elements of risks

**25. Directors' Responsibility Statement**

The Directors' Responsibility Statement referred to in clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, shall state that—

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) The directors had prepared the annual accounts on a going concern basis; and
- (e) The directors, in the case of a **listed company**, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**26. Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future**

There are no material litigations outstanding as on March 31, 2015

**27. Management Discussion and Analysis report**

Management Discussion and Analysis Report as required under Clause 49 is disclosed as **Annexure VI**

**28. Corporate Governance Report**

Corporate Governance report as required under Clause 49 is disclosed as **Annexure VII**

**29. Listing Fees**

The Company confirms that it has paid the annual listing fees for the year 2015-16 to the Bombay Stock exchange.

**30. Acknowledgements**

Your Directors place on record their sincere thanks to bankers, business associates, consultants, and various Government Authorities for their continued support extended to your Companies activities during the year under review. Your Directors also acknowledges gratefully the shareholders for their support and confidence reposed on your Company.

**For and on the behalf of the Company**

**K.V. Prabhakar  
DIN No.01716813**

Place;Chitradurga

Date; 20-7-2015

**Annexure I**

**FORM NO. MGT 9**

**EXTRACT OF ANNUAL RETURN as on financial year ended on 31.03.2015  
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company  
(Management & Administration ) Rules, 2014.**

**I REGISTRATION & OTHER DETAILS:**

|     |   |   |
|-----|---|---|
| i   | CIN   | L85110KA1991PLC011732   |
| ii  | Registration Date   | 3/4/1991  |
| iii | Name of the Company   | Sree Jayalakshmi Auto Spin Limited  |
| iv  | Category/Sub-category of the Company  | Company Limited By Shares/Indian Non Government Company   |
| v   | Address of the Registered office & contact details                          | Sanjana, Davangere Road, Chhitradurga – 577501  |
| vi  | Whether listed company  | YES   |
| vii | Name , Address & contact details of the Registrar & Transfer Agent, if any. | Integrated Enterprises (India) Limited, NO-30, Ramana Residency, Gr Floor, 4th Cross, Sampige Road, Malleswaram, Bangalore-560003 |

**II PRINCIPAL BUSINESS ACTIVITY OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover

| Sl. No. | Name and Description of main products / services | NIC Code of the Product / service | % to total turnover of the company |
|---------|--|-----------------------------------|------------------------------------|
| 1       | Cotton Linters                                   | 140420                            | 46.51                              |
| 2       | Cotton Seeds                                     | 120720                            | 17.25                              |
| 3       | Cotton yarns                                     | 5205                              | 36.17                              |
| 4       | Cotton Waste                                     | 520966                            | 0.07                               |

**III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

| S. No. | Name And Address Of The Company | CIN/GLN | Holding/ Subsidiary /Associate | % of shares held | Applicable Section |
|--------|---------------------------------|---------|--------------------------------|------------------|--------------------|
| 1      | N.A.                            | N.A.    | N.A.                           | N.A.             | N.A.               |

**IV SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

**i) Category wise Shareholding**

| Category of Shareholders | No. of Shares held at the beginning of the year | No. of Shares held at the end of the year | % change during |
|--------------------------|---|---|-----------------|
|--------------------------|---|---|-----------------|

|  |                    |              |                    |                                    |                    |              |                    |                                    | the year |          |
|--|--------------------|--------------|--------------------|------------------------------------|--------------------|--------------|--------------------|------------------------------------|----------|----------|
|  | Dema<br>t          | Physi<br>cal | Total              | %<br>of<br>Tot<br>al<br>Sha<br>res | Dem<br>at          | Physi<br>cal | Total              | %<br>of<br>Tot<br>al<br>Sha<br>res |          |          |
| <b>A. Promoters</b>  |                    |              |                    |                                    |                    |              |                    |                                    |          |          |
| (1) Indian   | 63593<br>2         | -            | 63593<br>2         | 14.2<br>0                          | 6359<br>32         | -            | 63593<br>2         | 14.2<br>0                          |          | -        |
| a) Individual/HUF  | -                  | -            | -                  | -                                  | -                  | -            | -                  | -                                  |          | -        |
| b) Central Govt.or<br>State Govt.                                | -                  | -            | -                  | -                                  | -                  | -            | -                  | -                                  |          | -        |
| c) Bodies Corporates   | -                  | -            | -                  | -                                  | -                  | -            | -                  | -                                  |          | -        |
| d) Bank/FI   | -                  | -            | -                  | -                                  | -                  | -            | -                  | -                                  |          | -        |
| e) Any other   | -                  | -            | -                  | -                                  | -                  | -            | -                  | -                                  |          | -        |
| <b>SUB TOTAL:(A) (1)</b>   | <b>63593<br/>2</b> | <b>-</b>     | <b>63593<br/>2</b> | <b>14.2<br/>0</b>                  | <b>6359<br/>32</b> | <b>-</b>     | <b>63593<br/>2</b> | <b>14.2<br/>0</b>                  |          | <b>-</b> |
| <b>(2) Foreign</b>   |                    |              |                    |                                    |                    |              |                    |                                    |          |          |
| a) NRI- Individuals  | -                  | -            | -                  | -                                  | -                  | -            | -                  | -                                  |          | -        |
| b) Other Individuals   | -                  | -            | -                  | -                                  | -                  | -            | -                  | -                                  |          | -        |
| c) Bodies Corp.  | -                  | -            | -                  | -                                  | -                  | -            | -                  | -                                  |          | -        |
| d) Banks/FI  | -                  | -            | -                  | -                                  | -                  | -            | -                  | -                                  |          | -        |
| e) Any other...  | -                  | -            | -                  | -                                  | -                  | -            | -                  | -                                  |          | -        |
| <b>SUB TOTAL (A) (2)</b>   | <b>-</b>           | <b>-</b>     | <b>-</b>           | <b>-</b>                           | <b>-</b>           | <b>-</b>     | <b>-</b>           | <b>-</b>                           |          | <b>-</b> |
| <b>Total Shareholding<br/>of Promoter<br/>(A)= (A)(1)+(A)(2)</b> | <b>63593<br/>2</b> | <b>-</b>     | <b>63593<br/>2</b> | <b>14.2<br/>0</b>                  | <b>6359<br/>32</b> | <b>-</b>     | <b>63593<br/>2</b> | <b>14.2<br/>0</b>                  |          | <b>-</b> |
| <b>B. PUBLIC<br/>SHAREHOLDING</b>                                |                    |              |                    |                                    |                    |              |                    |                                    |          |          |
| <b>(1) Institutions</b>  |                    |              |                    |                                    |                    |              |                    |                                    |          |          |
| a) Mutual Funds  | 37500              | 1500         | 39000              | 0.87                               | 3750<br>0          | 1500         | 39000              | 0.87                               |          | -        |
| b) Banks/FI  | -                  | 40000<br>0   | 40000<br>0         | 8.93                               | -                  | 40000<br>0   | 40000<br>0         | 8.93                               |          | -        |
| C) Cenntal govt  | -                  | -            | -                  | -                                  | -                  | -            | -                  | -                                  |          | -        |
| d) State Govt.   | -                  | -            | -                  | -                                  | -                  | -            | -                  | -                                  |          | -        |
| e) Venture Capital<br>Fund                                       | -                  | -            | -                  | -                                  | -                  | -            | -                  | -                                  |          | -        |
| f) Insurance<br>Companies  | -                  | -            | -                  | -                                  | -                  | -            | -                  | -                                  |          | -        |
| g) FIIS  | -                  | -            | -                  | -                                  | -                  | -            | -                  | -                                  |          | -        |
| h) Foreign Venture<br>Capital Funds                              | -                  | -            | -                  | -                                  | -                  | -            | -                  | -                                  |          | -        |
| i) Others (specify)  | -                  | -            | -                  | -                                  | -                  | -            | -                  | -                                  |          | -        |

|   |                           |                           |                           |                            |                           |                           |                           |                            |  |             |
|---|---------------------------|---------------------------|---------------------------|----------------------------|---------------------------|---------------------------|---------------------------|----------------------------|--|-------------|
| <b>SUB TOTAL (B)(1):</b>  | <b>37500</b>              | <b>40150</b><br><b>0</b>  | <b>43900</b><br><b>0</b>  | <b>9.80</b>                | <b>3750</b><br><b>0</b>   | <b>40150</b><br><b>0</b>  | <b>43900</b><br><b>0</b>  | <b>9.80</b>                |  | <b>-</b>    |
| <b>(2) Non Institutions</b>   |                           |                           |                           |                            |                           |                           |                           |                            |  |             |
| a) Bodies corporates  |                           |                           |                           |                            |                           |                           |                           |                            |  |             |
| i) Indian   | 18908<br>7                | 28620<br>0                | 47528<br>7                | 10.6<br>1                  | 2795<br>67                | 18620<br>0                | 46576<br>7                | 10.4<br>0                  |  | -<br>0.21   |
| ii) Overseas  | -                         | -                         | -                         | -                          | -                         | -                         | -                         | -                          |  |             |
| b) Individuals  |                           |                           |                           |                            |                           |                           |                           |                            |  |             |
| i) Individual shareholders holding nominal share capital upto Rs.1 lakhs            | 26643<br>8                | 74545<br>1                | 10118<br>89               | 22.6<br>0                  | 2721<br>17                | 73825<br>1                | 10103<br>68               | 22.5<br>6                  |  | -<br>0.04   |
| ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs | 20557<br>5                | 14213<br>17               | 16268<br>92               | 36.3<br>3                  | 2181<br>70                | 14213<br>17               | 16394<br>87               | 36.6<br>1                  |  | 0.28        |
| c) Others (specify)   |                           |                           |                           |                            |                           |                           |                           |                            |  |             |
| NRI   | 46500                     | 24270<br>0                | 28920<br>0                | 6.46                       | 4650<br>0                 | 24070<br>0                | 28720<br>0                | 6.41                       |  | -<br>0.05   |
| Clearing Member   | -                         | -                         | -                         | -                          | 446                       | -                         | 446                       | 0.01                       |  | 0.01        |
| Trust   | -                         | -                         | -                         | -                          | -                         | -                         | -                         | -                          |  | -           |
| <b>SUB TOTAL (B)(2):</b>  | <b>70760</b><br><b>0</b>  | <b>26956</b><br><b>68</b> | <b>34032</b><br><b>68</b> | <b>76.0</b><br><b>0</b>    | <b>8168</b><br><b>00</b>  | <b>25864</b><br><b>68</b> | <b>34032</b><br><b>68</b> | <b>76.0</b><br><b>0</b>    |  | <b>0.00</b> |
| <b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>                                 | <b>74510</b><br><b>0</b>  | <b>30971</b><br><b>68</b> | <b>38422</b><br><b>68</b> | <b>85.8</b><br><b>0</b>    | <b>8543</b><br><b>00</b>  | <b>29879</b><br><b>68</b> | <b>38422</b><br><b>68</b> | <b>85.8</b><br><b>0</b>    |  | <b>0.00</b> |
| <b>C. Shares held by Custodian for GDRs &amp; ADRs</b>                              | -                         | -                         | -                         | -                          | -                         | -                         | -                         | -                          |  | -           |
| <b>Grand Total (A+B+C)</b>  | <b>13810</b><br><b>32</b> | <b>30971</b><br><b>68</b> | <b>44782</b><br><b>00</b> | <b>100.00</b><br><b>00</b> | <b>1490</b><br><b>232</b> | <b>29879</b><br><b>68</b> | <b>44782</b><br><b>00</b> | <b>100.00</b><br><b>00</b> |  | <b>0.00</b> |

ii) Shareholding of Promoters

| Sl No. | Shareholders Name | Shareholding at the beginning of the year |                                  |  | Shareholding at the end of the year |                                  |  | % change in share holding during the year |
|--------|-------------------|---|----------------------------------|--|-------------------------------------|----------------------------------|--|---|
|        |                   | No of shares                              | % of total shares of the company | % of shares pledged encumbered to total shares | No of shares                        | % of total shares of the company | % of shares pledged encumbered to total shares |   |
| 1      | Prabhakar K V     | 63593<br>2                                | 14.20                            | -  | 63593<br>2                          | 14.20                            | -  | -   |
|        | Total             | 63593<br>2                                | 14.20                            | -  | 63593<br>2                          | 14.20                            | -  | -   |

iii) Change In Promoters' Shareholding ( Specify If There Is No Change)

| Sl. No. | Shareholders Name | Share holding at the beginning of the Year |                                  | Date | Increase/Decrease in Share Holding | Reason | Cumulative Share holding during the year |                                  | Reason |
|---------|-------------------|--|----------------------------------|------|------------------------------------|--------|--|----------------------------------|--------|
|         |                   | No. of Shares                              | % of total shares of the company |      |                                    |        | No of shares                             | % of total shares of the company |        |
| -       | -                 | NIL  | NIL                              | -    | NIL                                | -      | NIL                                      | NIL                              | NIL    |

iv) Shareholding pattern of top ten shareholders (other than directors, promoters and holders of GDRs and ADRs):

| Sl no | Name of The Share Holder | Shareholding At The Beginning Of The Year - 01.04.2014 |                                  | Date       | Increase/ Decrease in Share Holding | Reason | Cumulative Shareholding During The Year - 31.03.2015 |                                  |
|-------|--------------------------|--|----------------------------------|------------|-------------------------------------|--------|--|----------------------------------|
|       |                          | No. of Shares  | % of Total Shares of the Company |            |                                     |        | No Of Shares   | % of Total Shares of the Company |
| 1     | Vijaya Prabhakar         | 652762   | 14.58                            | 01.04.2014 | No movement during the year         |        |  |                                  |
|       |                          |  |                                  | 31.03.2015 |                                     |        | 652762   | 14.58                            |
| 2     | Sanjana Prabhakar        | 310900   | 6.94                             | 01.04.2014 | No movement during the year         |        |  |                                  |

|    |                                     |        |      |            |                               |                      |        |      |
|----|-------------------------------------|--------|------|------------|-------------------------------|----------------------|--------|------|
|    |                                     |        |      | 31.03.2015 |                               |                      | 310900 | 6.94 |
| 3  | Indian Bank                         | 200000 | 4.47 | 01.04.2014 | No movement during the year   |                      |        |      |
|    |                                     |        |      | 31.03.2015 |                               |                      | 200000 | 4.47 |
| 4  | Anusha Prabhakar                    | 112155 | 2.50 | 01.04.2014 | No movement during the year   |                      |        |      |
|    |                                     |        |      | 31.03.2015 |                               |                      | 200000 | 2.50 |
| 5  | Vicco Products (Bombay) Limited     | 110300 | 2.46 | 01.04.2014 | No movement during the year   |                      |        |      |
|    |                                     |        |      | 31.03.2015 |                               |                      | 110300 | 2.46 |
| 6  | Vimal Khandwala                     | 110300 | 2.46 | 01.04.2014 | No movement during the year   |                      |        |      |
|    |                                     |        |      | 31.03.2015 |                               |                      | 110300 | 2.46 |
| 7  | Karnataka State Financial           | 100000 | 2.23 | 01.04.2014 | No movement during the year   |                      |        |      |
|    |                                     |        |      | 31.03.2015 |                               |                      | 100000 | 2.23 |
| 8  | Karnataka State Industrial          | 100000 | 2.23 | 01.04.2014 | No movement during the year R |                      |        |      |
|    |                                     |        |      | 31.03.2015 |                               |                      | 100000 | 2.23 |
| 9  | CRB Trustee Ltd                     | 100000 | 2.23 | 01.04.2014 | 0                             |                      | 100000 | 2.23 |
|    |                                     |        |      | 04.07.2014 | -100000                       | TR<br>AN<br>SF<br>ER | 0      | 0.00 |
|    |                                     |        |      | 31.03.2015 |                               |                      | 0      | 0.00 |
| 10 | M D Finance & Investment Co Pvt Ltd | 93300  | 2.08 | 01.04.2014 | No movement during the year   |                      |        |      |
|    |                                     |        |      | 31.03.2015 |                               |                      | 93300  | 2.08 |

v). Shareholding of Directors & KMP

| Sl No | Shareholders Name   | Shareholding at the beginning of the year |                                  |  | Shareholding at the end of the year |                                  |  | % change in share holding during the year |
|-------|---------------------|---|----------------------------------|--|-------------------------------------|----------------------------------|--|---|
|       |                     | No of shares                              | % of total shares of the company | % of shares pledged encumbered to total shares | No of shares                        | % of total shares of the company | % of shares pledged encumbered to total shares |   |
| 1     | Prabhakar K V       | 635932                                    | 14.20                            | -  | 635932                              | 14.20                            | -  | -   |
| 2     | Vijaya Prabhakar    | 652762                                    | 14.58                            | -  | 652762                              | 14.58                            | -  | -   |
| 3     | Viswanath K Mannani | 2500                                      | 0.00                             |  | 2500                                | 0.00                             |  |   |



## V. INDEBTEDNESS

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

| Indebtedness at the beginning of the financial year | Secured Loans excluding deposits | Unsecured Loans    | Deposits   | Total Indebtness   |
|---|----------------------------------|--------------------|------------|--------------------|
| i) Principal Amount                                 | 112406                           | 21350000           | Nil        | 21462406           |
| ii) Interest due but not paid                       | Nil                              | Nil                | Nil        | Nil                |
| iii) Interest accrued but not due                   | Nil                              | Nil                | Nil        | Nil                |
| <b>Total (i+ii+iii)</b>                             | <b>112496</b>                    | <b>21350000</b>    | <b>Nil</b> | <b>21462406</b>    |
| Change in Indebtedness during the financial year    | Secured Loans excluding deposits | Unsecured Loans    | Deposits   | Total Indebtness   |
| * Addition  | 7,35,569                         | 1,92,00,000        | Nil        | 1,99,35,569        |
| * Reduction   | Nil                              | Nil                | Nil        | Nil                |
| <b>Net Change</b>                                   | <b>7,35,569</b>                  | <b>1,92,00,000</b> | <b>Nil</b> | <b>1,99,35,569</b> |
| Indebtedness at the end of the financial year       | Secured Loans excluding deposits | Unsecured Loans    | Deposits   | Total Indebtness   |
| i) Principal Amount                                 | 1,42,10,930                      | 2,13,50,000        | Nil        | 3,55,60,930        |
| ii) Interest due but not paid                       | Nil                              | Nil                | Nil        | Nil                |
| iii) Interest accrued but not due                   | Nil                              | Nil                | Nil        | Nil                |
| <b>Total (i+ii+iii)</b>                             | <b>1,42,10,930</b>               | <b>2,13,50,000</b> | <b>Nil</b> | <b>3,55,60,930</b> |

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

| Sl. no. | Particulars of Remuneration   | Name of MD/WTD/ Manager |      |      |      | Total Amount |
|---------|---|-------------------------|------|------|------|--------------|
|         |   | K.V. Prabhakar          | B    | C    | D    |              |
| 1       | Gross salary (P.A.)   | 180000                  | N.A. | N.A. | N.A. | 180000       |
|         | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | N.A.                    | N.A. | N.A. | N.A. | 0            |

|   |   |   |      |      |      |     |
|---|---|---|------|------|------|-----|
|   | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                 | N.A   | N.A  | N.A  | N.A  | N.A |
|   | (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961 | N.A   | N.A, | N.A, | N.A, | N.A |
| 2 | Stock Option  | N.A   | N.A, | N.A, | N.A, | N.A |
| 3 | Sweat Equity  | N.A   | N.A, | N.A, | N.A, | N.A |
| 4 | Commission  | N.A   | N.A, | N.A, | N.A, | N.A |
|   | - as % of profit  | N.A   | N.A, | N.A, | N.A, | N.A |
|   | - others, specify   | N.A   | N.A, | N.A, | N.A, | N.A |
| 5 | Others, please specify  | N.A   | N.A, | N.A, | N.A, | N.A |
|   | Total (A)   | 1,80,000  | N.A, | N.A, | N.A, | N.A |
|   | Ceiling as per Act  | The remuneration payable to an individual Managing Director or Whole Time Director shall not exceed 5% of the net profit and if there is more than one such Director, remuneration shall not exceed 10% of the net profits to all the Directors taken together. |      |      |      |     |

B. Remuneration to other directors:

| Sl. no. | Particulars of Remuneration                | Name of Directors |            |                  |     | Total Amount |
|---------|--|-------------------|------------|------------------|-----|--------------|
|         |  | V. K Mamani       | Ram Murthy | T. Chandrashekar | D   |              |
| 1       | <b>Independent Directors</b>               |                   |            |                  |     |              |
|         | Fee for attending board committee meetings | Nil               | Nil        | Nil              | Nil | Nil          |
|         | Commission                                 | Nil               | Nil        | Nil              | Nil | Nil          |
|         | Others, please specify                     | Nil               | Nil        | Nil              | Nil | Nil          |
|         | Total (1)                                  | Nil               | Nil        | Nil              | Nil | Nil          |
| 2       | <b>Other Non-Executive Directors</b>       | Nil               | Nil        | Nil              | Nil | Nil          |
|         | Fee for attending board committee meetings | Nil               | Nil        | Nil              | Nil | Nil          |
|         | Commission                                 | Nil               | Nil        | Nil              | Nil | Nil          |
|         | Others, please specify                     | Nil               | Nil        | Nil              | Nil | Nil          |
|         | Total (2)                                  | Nil               | Nil        | Nil              | Nil | Nil          |

|  |                                |  |     |     |     |     |
|--|--------------------------------|--|-----|-----|-----|-----|
|  | Total (B)=(1+2)                | Nil  | Nil | Nil | Nil | Nil |
|  | Total Managerial Remuneration  | Nil  | Nil | Nil | Nil | Nil |
|  | Overall Ceiling as per the Act | The remuneration payable to Non- Executive Directors shall not exceed 1% of the net profit of the Company. Since the Company is not earning profit so Directors are not entitled for any remuneration. |     |     |     |     |

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

| Sl. no. | Particulars of Remuneration   | Key Managerial Personnel |                   |     |       |
|---------|---|--------------------------|-------------------|-----|-------|
|         |   | CEO                      | Company Secretary | CFO | Total |
| 1       | Gross salary  | Nil                      | Nil               | Nil | Nil   |
|         | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | Nil                      | Nil               | Nil | Nil   |
|         | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             | Nil                      | Nil               | Nil | Nil   |
|         | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961              | Nil                      | Nil               | Nil | Nil   |
| 2       | Stock Option  | Nil                      | Nil               | Nil | Nil   |
| 3       | Sweat Equity  | Nil                      | Nil               | Nil | Nil   |
| 4       | Commission  | Nil                      | Nil               | Nil | Nil   |
|         | - as % of profit  | Nil                      | Nil               | Nil | Nil   |
|         | - others, specify...  | Nil                      | Nil               | Nil | Nil   |
| 5       | Others, please specify  | Nil                      | Nil               | Nil | Nil   |
|         | Total   | Nil                      | Nil               | Nil | Nil   |

### VI. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

| Type                                | Section of the Companies Act | Brief Description | Details of Penalty / Punishment/ Compounding fees imposed | Authority [RD / NCLT/ COURT] | Appeal made, if any (give Details) |      |
|-------------------------------------|------------------------------|-------------------|---|------------------------------|------------------------------------|------|
| <b>A. COMPANY</b>                   |                              |                   |   |                              |                                    |      |
| Penalty                             | N.A.                         | N.A.              | N.A.  | N.A.                         | N.A.                               | N.A. |
| Punishment                          | N.A.                         | N.A.              | N.A.  | N.A.                         | N.A.                               | N.A. |
| Compounding                         | N.A.                         | N.A.              | N.A.  | N.A.                         | N.A.                               | N.A. |
| <b>B. DIRECTORS</b>                 |                              |                   |   |                              |                                    |      |
| Penalty                             | N.A.                         | N.A.              | N.A.  | N.A.                         | N.A.                               | N.A. |
| Punishment                          | N.A.                         | N.A.              | N.A.  | N.A.                         | N.A.                               | N.A. |
| Compounding                         | N.A.                         | N.A.              | N.A.  | N.A.                         | N.A.                               | N.A. |
| <b>C. OTHER OFFICERS IN DEFAULT</b> |                              |                   |   |                              |                                    |      |
| Penalty                             | N.A.                         | N.A.              | N.A.  | N.A.                         | N.A.                               | N.A. |
| Punishment                          | N.A.                         | N.A.              | N.A.  | N.A.                         | N.A.                               | N.A. |
| Compounding                         | N.A.                         | N.A.              | N.A.  | N.A.                         | N.A.                               | N.A. |

**Annexure II**

**A) Power and fuel consumption**

a). Electricity Purchase

|               |            |
|---------------|------------|
| Total Unit    | 1204211    |
| Total Amount  | 71, 60,154 |
| Rate per Unit | 5.95       |

**B) Power and fuel consumption**

a). own generation through diesel generation

12195

|               |           |
|---------------|-----------|
| Total Amount  | 2, 45,743 |
| Rate per Unit | 20.15     |

**By Order of the Board**

**Date: 20.07.2015**

**Place: Chitradurga**

**K.V. Prabhakar  
Managing Director  
DIN No. 01716813**

**Annexure III**

**Details of Loans:**

| SL No | Date of making loan | Details of Borrower               | Amount        | Purpose for which the loan is to be utilized by the recipient | Time period for which it is given | Date of BR | Date of SR (if reqd) | Rate of Interest  | Security                                   |
|-------|---------------------|-----------------------------------|---------------|---|-----------------------------------|------------|----------------------|-------------------|--|
| 1     | 17/3/2014           | Sree Jayalakshmi Autospin Limited | 15,000,000.00 | Working Capital   | One year                          | 10/4/2014* | N.A.                 | As per Bank norms | Debts, goods, land, building and machinery |

**Details of Investments:-**

| SL No | Date of investment | Details of Investee | Amount | Purpose for which the proceeds from investment is proposed to be utilized by the recipient | Date of BR | Date of SR (if reqd) | Expected rate of return |
|-------|--------------------|---------------------|--------|--|------------|----------------------|-------------------------|
| N.A.  | N.A.               | N.A.                | N.A.   | N.A.   | N.A.       | N.A.                 | N.A.                    |

|      |      |      |      |      |      |      |      |
|------|------|------|------|------|------|------|------|
| N.A. | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. |
|------|------|------|------|------|------|------|------|

**Details of Guarantee / Security Provided:**

| SL No | Date of providing security/guarantee | Details of recipient | Amount | Purpose for which the security/guarantee is proposed to be utilized by the recipient | Date of BR | Date of SR (if any) | Commission |
|-------|--------------------------------------|----------------------|--------|--|------------|---------------------|------------|
| N.A.  | N.A.                                 | N.A.                 | N.A.   | N.A.   | N.A.       | N.A.                | N.A.       |

**Annexure IV**

**Form No. AOC-2**

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

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

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

- (a) Name(s) of the related party and nature of relationship: **Srinivasa Industries**
- (b) Nature of contracts/arrangements/transactions: **Lease arrangements**
- (c) Duration of the contracts / arrangements/transactions: **One year**
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: **30000 p.m or 3, 60,000 p.a.**
- (e) Justification for entering into such contracts or arrangements or transactions: **Ginning activities**
- (f) Date(s) of approval by the Board: **21.8.2014**
- (g) Amount paid as advances, if any: **1, 80,000**

**2. Details of contracts or arrangements or transactions not at arm's length basis:**

- (a) Name(s) of the related party and nature of relationship: **Basaveshwara Cotton Commercial chitradurga**
- (b) Nature of contracts/arrangements/transactions: **Job Work**
- (c) Duration of the contracts / arrangements/transactions: **as and when required**
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: **pressing charges fixed by the ginner and pressing association**
- (e) Justification for entering into such contracts or arrangements or transactions: **pressing activities**
- (f) Date(s) of approval by the Board: **N.A.**
- (g) Amount paid as advances, if any: **no advance**

**3. Details of contracts or arrangements or transactions not at arm's length basis:**

- (a) Name(s) of the related party and nature of relationship: **Veerabhadreshwara Trading Co.,**
- (b) Nature of contracts/arrangements/transactions: Purchases of Rs. 50,58,604/- at market price
- (c) Duration of the contracts / arrangements/transactions: **NA**
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any; **NA**
- (e) Date(s) of approval by the Board,if any: :N.A.
- (f) Amount paid as advances, if any: N.A

**By Order of the Board**

**K.V. Prabhakar  
Managing Director  
DIN No. 01716813**

**Date: 20.07.2015**

**Place: Chitradurga**

**Annexure V**

**Form No. MR-3  
SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 2015**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies  
(Appointment and Remuneration Personnel) Rules, 2014]

To,  
The Members,  
Sree Jayalakshmi Auto Spin Limited,  
Chitradurga

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Sree Jayalakshmi Auto Spin Limited (hereinafter called the "Company"). The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March 2015 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made there under; which have been notified and the Companies Act, 1956 which are still in force.
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- v. We further report that to the best of our knowledge and understanding and on the basis of information and explanations provided to us by the Company and its management, there are adequate systems and processes in the Company commensurate with the size and operations to monitor and ensure compliance with the following laws applicable specifically to the Company
  1. Industrial Disputes Act, 1947
  2. The Payment of Wages Act, 1936
  3. The Minimum Wages Act, 1948
  4. The Payment of Bonus Act, 1965
  5. The Payment of Gratuity Act, 1972
  6. The Industrial Employment (Standing Order) Act, 1946
  7. The Environment (Protection) Act, 1986
  8. The Water (Prevention & Control of Pollution) Act, 1974
  9. The Air (Prevention & Control of Pollution) Act, 1981

I have also examined compliance with the applicable clauses of the following:

- (i) The Listing Agreements entered into by the Company with National Stock Exchange and Bombay Stock Exchange;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the observations made in Annexure A hereto.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

**Place:** Bengaluru

**Date:** 20.07.2015

**G. SHANKER PRASAD**

**ACS No.:** 6357

**CP No:** 6450

This report is to be read with our letter of even date which is annexed as **Annexure B** and forms an integral part of this report.

**ANNEXURE A**

1. Report on Annual General required to be filed by company as per the provisions of section 121(1) of the Companies Act, 2013 was not filed by the Company.
2. The day of the Annual General Meeting was not mentioned in the notice as required by 101(2) of the Companies Act, 2013
3. The Balance sheet and profit and Loss Account and the annual return were filed belatedly with the additional fees.
4. CS is not appointed as it is mandatory for listed company pursuant to section 203 of the Companies Act, 2013.

**ANNEXURE B**

To,  
The Members  
Sree Jayalakshmi Auto Spin Limited  
Chitradurga

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.



6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**Place:** Bengaluru

**Date:** 20.07.2014

G.SHANKER PRASAD

.ACS No.: 6357

CP No: 6450

**Annexure VI**

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Indian textile industry is one of the pillars of the country's economy. The industry is contributing about 14% to industrial production, 4% to the Country's G D P and 12% to country export earnings according to ministry of textiles.

Global cotton consumption during 14-15 seasons has been estimated at 24.241 million metric tons, 2.7% higher than previous season consumption of 23.615 mmt as per the u s d estimates in July 2014.

India's production has been estimated at 6.006 mmt that is 8.2% lower than previous season production of 6.641 mmt. In chain it is 7.8% lower than previous production 6.967 mmt. Asian countries continue to be largest producer in the world.

The spinning sector started performing better despite facing a crisis since the beginning of the financial year owing to steep fall in yarn exports and drop in cotton prices. Despite the high cost of capital the spinning industry is very competitive and efficiently supplying yarn to domestic as well as in global market at very competitive prices.

Chain being the major importer of cotton and yarn from India, any policy changes in chain will affect the prices in cotton and yarn in India and also export to chain , in turn this will affect the Indian spinning industry.

Your company is engaged in the manufacture of cotton yarn and also in cotton ginning and trading activity. Your company manufacturers mainly 60 s count of yarn, which is sold in Biwandi, Ichalkaranji and Malegaon This year also cotton production being good and prices remained stable. The yarn prices were more volatative affecting the profitability of the Company.

**OPPORTUNITES, THREATS, RISKS AND CONCERNS;**

The continuing threat to the growth of textile industry is irregular of supply of power and availability of lab our. Power and lab our are two major factors affect the production.

Though the supply of quality power is in question through power companies, and unscheduled power cuts are on higher side, addition to that the Karnataka electricity regulatory commission has recently hiked power tariff by 15 paisa per unit for industrial consumers. This is the eight hikes in last six years beginning from November 2009.

From last few years spinning sector has witnessed worst phases, because of shortage of lab our. ASSOCHAM survey reveals that textile units were utilizing only 50 to 60 percent of their

capacity due to scarcity of lab our. Even if we get lab our absenteeism and attrition rates are high. Due to power and lab our shortage units utilization level has come down to 70 percent.

The plan of the company is to increase the ginning and trading of the company thereby results in overall turnover and profitability of the Company

#### **Internal Control**

The Company adopts adequate systems of internal control in places, this is to ensure that assets are safeguarded against loss from unauthorized use or disposition and that transaction are authorized, recorded and reported correctly.

**By Order of the Board**

**K.V. Prabhakar**  
**Managing Director**  
**DIN No. 01716813**

**Date: 20.07.2015**

**Place: Chitradurga**

**Annexure VII**

### **REPORT ON CORPORATE GOVERNANCE**

#### **Company's Philosophy on Code of Governance**

M/s. Sree Jayalakshmi Auto Spin Limited believes in functioning in a transparent manner with the basic philosophy being to enhance the Shareholders' values, keeping in mind the needs and interest of the Shareholders. Your Company continues to follow procedures and practice in conformity with the code of Corporate Governance as enunciated in the Listing Agreement. Following disclosures set out the approach and commitment of the Company towards the Corporate Governance.

#### **Board Of Directors**

##### **Composition of Board**

The Board of Directors of the Company consisted of Five (5) Directors including three (3) Independent Directors namely Mr. Ram Murthy, V.K. Mamami and T. Chandrasekhar, all non executive Directors. Mr. K.V. Prabhakar is a Chairman and Managing Director and Mrs. U. Vijay prabhakar is a non executive Director. The Composition of the Board is in conformity with the Listing Agreement.

##### **Board Meetings**

During the year, 10 (Ten) Meetings of the Board of Directors were held respectively on 10.04.2014, 29.5.2014, 21.7.2014, 12.8.2014, 21.8.2014, 24.8.2014, 26.9.2014, 20.10.2014, 11.11.2014 and on 8.2.2015.

The details regarding the attendance of Directors at the Board Meeting, Number of Directorships and Committee positions held by them in other Companies are given below:

| Names of the directors  | Category/ Position | Last Annual General Meeting Attended | No. Of board meetings attended out of 10 held during the year | No Of The Directorship Held In The Other Companies | Committee Positions Held In The Other Companies |
|-------------------------|--------------------|--------------------------------------|---|--|---|
| K.V.Prabhakar           | CMD                | Yes                                  | 10  | 6  | Nil   |
| Smt.U.Vijayaprabhakar   | Director           | Yes                                  | 9   | 2  | Nil   |
| Sri.Vishwanath k.Mamani | Director           | Yes                                  | 10  | 0  | Nil   |
| Sri Ramamurthy          | Director           | Yes                                  | 10  | 0  | Nil   |
| Sri T.Chandrashekar     | Director           | Yes                                  | 10  | 0  | Nil   |

### 3. COMMITTEE(S) OF THE BOARD

The Board of the Company has constituted the following Committees with adequate delegation of powers.

#### (i) Audit Committee

The Audit Committee has been delegated with the powers and entrusted with the duties to oversee the Company's financial reporting process and adequacy of internal audit system, scope of the audit including observations of the Auditors, adequacy of internal audit system etc.

Presently ,the Audit Committee consists of three Independent Directors namely Mr. Ram Murthy , V.K. Mamami and T. Chandrasekhar

During the Financial Year under Report, Five (5) Audit Committee meetings have taken place on 29.05.2014, 12.08.2014, 24.08.2014, 11.11.2014 and 08.02.1015

The composition and terms of reference of Audit Committee are in conformity with the Listing Agreement and the Companies Act, 1956.

The minutes of the meetings of the Audit Committee are placed before the Board for its information.

#### (ii) Investors'/Shareholders' Grievance Committee

The Investors'/Shareholders' Grievance Committee has been delegated with the powers to approve and register transfer and/or transmission of shares, to issue the duplicate share certificates, to redress all types of grievances of the Shareholders/Investors relating to the transfer, transmission of shares and also relating to non-receipt of annual reports and declared dividends etc.

Presently, the Shareholders' Grievance Committee is looked after by Sri Ram murthy independent Director of the Company.

Information relating to Shareholders/Investors Complaints are regularly placed before the Committee. There were no complaints from the share holders for the year.

#### (iii) Nomination and Remuneration Committee

The **Nomination and Remuneration Committee** has been delegated with the powers to consider and approve all elements of remuneration package of all the directors i.e. salary, benefits, bonuses, stock options, pensions etc, to review at any point of time the service contracts or other terms of appointment of any or all of the directors and to consider and approve the applications to be made to the Central Government at any point of time for increase or otherwise, in the remuneration of the directors of the company with the approval of the Central Government.

Presently, the Remuneration Committee consists of three Independent Directors namely three Independent Directors namely Sri. T. Chandrasekhar, Sri Ram Murthy, Sri V.K.Mamani.

### 4. GENERAL BODY MEETINGS

The details regarding venue and times of last three Annual General Meeting of the Company are given below:

| <b>Date</b> | <b>Venue</b>  | <b>Time</b> |
|-------------|---|-------------|
| 26.09.2012  | 80/81, Kelagote (KIADB) Industrial Area, Old NH-4 Chitradurga-577501  | 11.00.am    |
| 27.09.2013  | 80/81, Kelagote (KIADB) Industrial Area, Old NH-4 Chitradurga -577501 | 11.00.am    |
| 25.09.2014  | 80/81, Kelagote (KIADB) Industrial Area, Old NH-4 Chitradurga-577501  | 11.00.am    |

No Special Resolution was passed through Postal Ballot during the financial year 2013-2014. None of the business proposed to be transacted at the ensuing Annual General Meeting require passing of Special Resolution through Postal Ballot.

There was no Extra-Ordinary General Meeting of the shareholders held during the financial year.

#### 5. **DISCLOSURES**

During the year, there was no material/significant transaction with the directors or the management, their subsidiaries or relatives etc that have any potential conflict with interest of the company at large. Also, no penalties or strictures have been imposed on the Company in respect of which penalties were imposed on the company by the Stock Exchanges or SEBI or any other Statutory Authority related to capital markets during the last three years.

#### 6. **GENERAL SHAREHOLDERS' INFORMATION**

##### a. 24<sup>th</sup> Annual General Meeting

Date : 24th August, 2015  
Day : Monday  
Time : 11.00 a.m.  
Venue : 80/81, Kelakote,(KIADB) Industrial Area  
Old N.H. 4,  
Chitradurga-577501

b. Financial Year : 2014 - 2015

c. Date of Book Closure : 18.08.2015 to 24.08.2015  
(Both days inclusive)

d. Listing : BSE

Presently the Securities of the Company are listed with Bombay Stock Exchange, Mumbai.

##### e. Registrar & Share Transfer Agent:

M/S. Integrated Enterprises (India) Ltd.,  
No 30, Ramana residency, 4 Th Cross, Sampigi Road,  
Malleshwaram, Bangalore-560003

g. Distribution of Shareholding as on March 31, 2015:

| <b>Shareholding pattern as on 31.03.2015</b>                           |              |             |
|--|--------------|-------------|
| Category   | No of shares | % of Equity |
| Indian Promoters   | 635,932      | 14.20       |
|  |              |             |
| Mutual Fund/UTI  | 39,000       | 0.87        |
| Banks/Financial Institutions, Insurance companies.(central/state govt) | 400,000      | 8.93        |
| Private Corporate Bodies   | 466,213      | 10.41       |
| NRI/OCB/FFI  | 287,200      | 6.41        |
| Indian Public  | 2,649,855    | 59.17       |

**Dematerialization of Shares and liquidity:**

The Company Shares are traded compulsorily in dematerialized form only. The Company has entered into tripartite agreement with NSDL and CDSL for dematerialization of the company's shares. The ISIN allotted to the company's shares is NSE6518FQ01010.

| Category         | No shares | No of Shares | Percentage |
|------------------|-----------|--------------|------------|
| Electronic form  | 359       | 1490232      | 33.28      |
| Physical holding | 909       | 2987968      | 66.72      |
| Total            | 1268      | 4478200      | 100.00     |

**7. MEANS OF COMMUNICATION**

The Quarterly Results (Provisional) of the Company are published in Business line English news paper and in the vernacular news paper, Prajapragathi (Kannada edition)

Annual Report containing, inter alia, Audited Annual Accounts, Directors Report, Auditors Report and other important information is circulated to members and other entitled entities thereto.

The Company's website [www.sjlal.com](http://www.sjlal.com) contains separate section 'Investors' where shareholders information is available. The Annual Report of the Company is also available on the website.

**8. DECLARATION ON CODE OF CONDUCT**

The Board of Directors of the Company adopted the Code of Conduct for Directors and senior management personnel. The Code impresses upon the Directors and Senior Management Executives to uphold the interest of the Company and its stakeholders to endeavor to fulfill all the fiduciary obligations towards them. Another important principle on which code is based is that the Directors and the Senior Management Executives shall act in accordance with the highest standard of honesty, integrity, fairness and ethical conduct and shall exercise utmost good faith, due care and integrity in performing their duties.

In terms of Clause 49(D) of the Listing Agreement, it was declared that all the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct laid down by the Board of Directors of the Company.

A declaration signed by CEO of the Company is annexed below:

I hereby confirm that the Company has obtained from all the members of the Board, affirmation that they have complied with the code of conduct for Directors and Senior Management Executives for the year ended 31.03.2015

For Sree Jayalakshmi Auto Spin Limited  
K.V. Prabhakar

**09. CEO CERTIFICATION:**

In terms of Clause 49(IX) of the Listing Agreement, the certification by the CEO on the financial statements and internal controls relating to financial reporting has been presented before Audit Committee for review on quarterly basis and the same is also placed before the Board for information.

**INDEPENDENT AUDITOR'S REPORT**

**To the Members of M/s. SREE JAYALAKSHMI AUTOSPIN LIMITED**

**Report on the Financial Statements**

1. We have audited the accompanying Financial Statements of **M/s. SREE JAYALAKSHMI AUTOSPIN LIMITED** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2015, 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***

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these stand alone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error

***Auditor's Responsibility***

3. Our responsibility is to express an opinion on these stand alone Financial Statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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.

4. An audit involves performing procedures to obtain audit evidence about the amounts and the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

***Basis for Qualified Opinion***

6. ***Attention of the members is invited of financial statements of the company having been prepared on a going concern basis, notwithstanding the fact that its entire net worth has been eroded. The appropriateness of the said basis is inter-alia dependent on the company's ability to infuse the requisite funds for meeting its obligations.***

***Opinion***

7. In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described 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 31<sup>st</sup> March 2015.

(b) In the case of the Statement of Profit and Loss, of the loss 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.

**Emphasis of Matter**

8. We draw attention to the following notes:

Note No. 25 of the financial statements regarding balances shown under debtors, advances, deposits and creditors are subject to confirmation/reconciliation /adjustment if any.

Our opinion is not qualified in respect of the above matter.

**Report on Other Legal and Regulatory Requirements**

9. As required by 'the Companies (Auditor's Report) order, 2003', as amended by 'the Companies (Auditors Report) (Amendment) order, 2004', issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act (Section 143(11) of the Companies Act, 2013) (hereinafter referred to as the "Order"), and on the

basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

10. As required by Section 143 (3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
  - (d) In our opinion, the Balance Sheet, statement of Profit and Loss, and Cash Flow statement dealt with by this report comply with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;
  - (f) The going concern matter described in basis of our qualified opinion Matters paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
  - (g) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of clause (g) of sub-section 91) of section 274 of the Act (Section 164 (2) of the Act, 2013.
  - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note to the financial statements;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **H.M.V.Murthy &Co.**,  
Firm Registration No.004966S  
Chartered Accountants

**H.M.Vrushabhendra Murthy**  
Proprietor.  
Member Ship No.026432  
Place: Bangalore  
Date: 29-05-2015

**Annexure to the Independent Auditor Report**  
(referred in our report of the even date)



- i.
  - a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - b. The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner. In accordance with this programme, the fixed assets have been physically verified by the management during the year and no material discrepancies have been noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- ii.
  - a. The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable
  - b. The procedures for the physical verification of inventories followed by the management 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 verification between the physical stocks and the book records were not material
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Act.
- iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventories and fixed assets and sale of goods and services. In our opinion and according to the information and explanations given to us, there is no continuing failure to correct major weakness in internal control system.
- v. The Company has not accepted any deposits from the public in accordance with the provisions of sections 73 to 76 of the Act and the rules framed there under.
- vi. As per the rules prescribed by the Central Government for maintenance of cost records under subsection 1 of Section 148 of the Act and not applicable to the company, this clause is not applicable
- vii.
  - a. According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees' State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Customs duty, Excise duty, Value added tax, Cess, Professional tax and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Customs duty, Excise duty, Value added tax, Cess,

Professional tax and other material statutory dues were in arrears as at March 31, 2015 for a period of more than six months from the date they became payable.

- b. According to the information and explanations given to us, there are no dues of Income tax, Wealth tax, Sales tax, Value added tax, Service tax, Customs duty, Excise duty and Cess which have not been deposited with the appropriate authorities on account of any dispute other than those mentioned in Annexure I to this report
- c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the amount required to be transferred to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under has been transferred to such fund within time
- viii. *The Company has accumulated losses of Rs.450.08 lakhs as at the end of the financial year and has incurred cash losses of Rs.77.84 lakhs in the financial year and 0.09 lakhs in the immediately preceding financial year, which is more than its net worth.*
- ix. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to its bankers. The Company did not have any outstanding dues to any financial institution or debentures holders during the year
- x. According to the information and explanations given to us, Company has not given any guarantee for loan taken by others from banks or financial institutions, this clause is not applicable.
- xi. In our opinion and according to the information and explanations given to us, the Company has not raised any term loans during the period, this clause is not applicable.
- xii. According to the information and explanations given to us no instances of material fraud on or by the Company has been noticed or reported during the course of our audit.

for **H.M.V.Murthy &Co.,**  
Firm Registration No. 004966S  
Chartered Accountants  
**H.M.Vrushabhendra Murthy**  
Proprietor.  
Membership No.026432  
Place: Bangalore  
Date: 29-05-2015

#### AUDITORS CERTIFICATE

To,  
**The Board of Directors,**  
**Sree Jayalakshmi Auto spin Ltd.,**  
**Chitradurga – 577 501.**

We have examined the attached cash flow statement of M/s. **SREE JAYALAKSHMI AUTO SPIN LTD.,** for the year ended 31<sup>st</sup> March, 2015. The statement has been prepared by the company

in accordance with the requirements of clause 32 of the listing agreement with stock exchange, Bombay and is based on and in agreement with the corresponding profit and loss account and balance sheet of the company covered by our report of 29-05-2015 to the members of the company.

for **H.M.V.Murthy & Co.,**

Firm Registration No. 04966S

Chartered Accountants

**H.M.Vrushabhendra Murthy**

Proprietor.

Membership No.026432

Place: Bangalore

Date: 29-05-2015

#### **AUDITORS CERTIFICATE ON CORPORATE GOVERNENCE**

Auditor's certificate to the members of **Sri Jayalakshmi Auto spin Ltd.,** on compliance of the condition of corporate governance for the year ended 31<sup>st</sup> March, 2015 under clause 49 of agreement with the stock exchange.

We have examined the compliance of the conditions of corporate governance by **Sri Jayalakshmi Auto spin Ltd.,** for the year ended 31<sup>st</sup> March, 2015 as stipulated in clause 49 of the listing agreement of the said company with exchange (Hereinafter referred to as clause 49).

The compliance of conditions of corporate governance is the responsibility of the management. Our examination has been limited to the review of the procedures and implementation thereof, adopted by the company for ensuring compliance of the conditions of corporate governance. It is neither an audit nor an express of opinion of the financial statements of the company.

In our opinion and to the best of information and according to the explanation given to us and the representation made by the directors and management, we certify that the company has by 31<sup>st</sup> March, 2015 complied in all material respect with the conditions of corporate governance as stipulated in clause 49.

As required by the guidance note on certification of corporate governance issued by the Institute of Chartered Accountants of India, we state that the registrars of the company have certified that as on 31<sup>st</sup> March, 2015 there were no investors grievances remaining pending for a period exceeding one month, and as explained to us by the management, the registrars have reported to the shareholders, Investors grievance committee regularly on the status of such grievances.

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 had conducted the affairs of the company.

for **H.M.V.Murthy & Co.,**

Firm Registration No. 004966S Chartered Accountants

**H.M.Vrushabhendra Murthy**

Proprietor.

Membership No.026432

Place: Bangalore

Date: 29-05-2015

**M/s.SREE JAYALAKSHMI AUTOSPIN LIMITED**  
**Registered Office: "Sanjana" Davangere Road, Chitradurga-577501 Karnataka**  
**Telephone (08194) 234446/223040, Fax: (08194) 234193**  
**BALANCE SHEET FOR THE YEAR ENDED 31st MARCH 2015**

| PARTICULARS                                 | NOTS | AS ON<br>31.03.2015<br>Amount In Rs | AS ON 31.03.2014<br>Amount In Rs |
|---|------|-------------------------------------|----------------------------------|
| <b>I EQUITY &amp; LIABILITY</b>             |      |                                     |                                  |
| <b>SHARE HOLDERS FUNDS</b>                  |      |                                     |                                  |
| (A) Share Capital                           | 2    | 44,782,000.00                       | 44,782,000.00                    |
| (B) Reserves and Surplus                    | 3    | (45,008,958.00)                     | (32,600,430.00)                  |
| <b>Sub Total of Share Holders Funds</b>     |      | <b>(226,958.00)</b>                 | <b>12,181,570.00</b>             |
| <b>NON CURRENT LIABILITIES</b>              |      |                                     |                                  |
| a) Long Term Borrowings                     | 4    | 21,350,000.00                       | 2,262,406.00                     |
| <b>Sub Total of Non Current Liabilities</b> |      | <b>21,350,000.00</b>                | <b>2,262,406.00</b>              |
| <b>CURRENT LIABILITIES</b>                  |      |                                     |                                  |
| a) Short Term Borrowings                    | 5    | 14,210,930.00                       | 13,475,361.00                    |
| b) Trade Payables                           | 6    | 16,918,209.00                       | 50,392,003.00                    |
| c) Other Current Liabilities                | 7    | 1,374,130.00                        | 2,070,041.00                     |
| d) Short Term Provisions                    | 8    | 2,429,536.00                        | 2,477,339.00                     |
| <b>Sub Total of Current Liabilities</b>     |      | <b>34,932,805.00</b>                | <b>68,414,744.00</b>             |
| <b>TOTAL-EQUITY &amp; LIABILITIES</b>       |      | <b>56,055,847.00</b>                | <b>82,858,720.00</b>             |
| <b>II ASSETS</b>                            |      |                                     |                                  |
| <b>NON CURRENT ASSETS</b>                   |      |                                     |                                  |
| a) Fixed Assets                             |      |                                     |                                  |
| <b>i. Tangible Assets</b>                   |      |                                     |                                  |
|   | 9    | 7,598,490.00                        | 11,440,596.00                    |
| b) Non Current Investment                   | 10   | 80,500.00                           | 80,500.00                        |
| c) Long Term Loans & Advances               | 11   | 1,228,637.00                        | 873,765.00                       |
| <b>Sub Total of Non Current Assets</b>      |      | <b>8,907,627.00</b>                 | <b>12,394,861.00</b>             |
| <b>CURRENT ASSETS</b>                       |      |                                     |                                  |
| a) Inventories                              | 12   | 25,364,887.00                       | 33,434,589.00                    |
| b) Trade Receivables                        | 13   | 17,248,306.00                       | 32,584,106.00                    |
| c) Cash & Cash Equivalents                  | 14   | 1,101,752.00                        | 170,215.00                       |
| d) Short Term Loans & Advances              | 15   | 3,433,275.00                        | 4,274,949.00                     |

|   |                      |                      |
|---|----------------------|----------------------|
| Sub Total of Current Assets   | 47,148,220.00        | 70,463,859.00        |
| <b>TOTAL-ASSETS</b>   | <b>56,055,847.00</b> | <b>82,858,720.00</b> |
| <p><i>The accompanying notes are an integral part of these financial Statement .This is the Balance Sheet referred to our in report of even date.</i></p> <p><i>For SREE JAYALAKSHMI AUTO SPIN LTD.,</i></p> <p><i>K.V.Prabhakar</i><br/><i>Chairman</i></p> <p><i>T.Chandrashekhar</i><br/><i>Director</i></p> <p style="text-align: right;"><i>Read with our Report</i></p> <p style="text-align: right;"><i>For H.M.V.Murthy &amp;Co.,</i><br/><i>Firm Registration No. 004966S</i><br/><i>Chartered Accountants</i></p> <p style="text-align: right;"><i>(H.M.Vrushabhendra Murthy)</i><br/><i>Proprietor.</i><br/><i>Membership No.026432</i><br/><i>Place: Bangalore</i><br/><i>Date:29.05.2015</i></p> |                      |                      |

**SREE JAYALAKSHMI AUTOSPIN LIMITED**  
**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2015**

| PARTICULARS   | NOTS | AS ON 31.03.2015<br>Amount In<br>r | AS ON<br>31.03.2014<br>Amount In r |
|---|------|------------------------------------|------------------------------------|
| <b>REVENUE</b>  |      |                                    |                                    |
| Sales   | 16   | 115,335,745.00                     | 181,310,575.00                     |
| Other Income  | 17   | 202,197.00                         | 16,583.00                          |
| <b>Total Revenue</b>  |      | <b>115,537,942.00</b>              | <b>181,327,158.00</b>              |
| <b>EXPENDITURE</b>  |      |                                    |                                    |
| Cost of Material consumed   | 18   | 107,872,605.00                     | 160,208,740.00                     |
| Change In Inventories of Finished Goods   | 19   | (2,973,749.00)                     | 1,252,328.00                       |
| Other Manufacturing Expenses  | 20   | 11,165,217.00                      | 12,746,298.00                      |
| Employee Benefit Expenses   | 21   | 1,511,601.00                       | 1,487,018.00                       |
| Financial Expenses  | 22   | 1,675,689.00                       | 2,119,104.00                       |
| Depreciation  | 9    | 500,099.00                         | 2,468,025.00                       |
| Other Expenses  | 23   | 4,461,810.00                       | 4,364,857.00                       |
| <b>Total Expenses</b>   |      | <b>124,213,272.00</b>              | <b>184,646,370.00</b>              |
| <b>PROFIT/(LOSS) FOR THE YEAR<br/>BEFORE TAX</b>  |      | <b>(8,675,330.00)</b>              | <b>(3,319,212.00)</b>              |
| Provision for Taxation  |      | -                                  | -                                  |
| <b>PROFIT AFTER TAX</b>   |      | <b>(8,675,330.00)</b>              | <b>(3,319,212.00)</b>              |
| Prior Year Adjustments  |      | 391,191.00                         | 841,921.00                         |
| <b>Balance Carried to Balance Sheet</b>   |      | <b>(90,66,521.00)</b>              | <b>(24,77,291.00)</b>              |
| <i>Basic Earnings Per Share of Rs.10 each (In Rupees)</i>   |      |                                    |                                    |
|   |      | (2.02)                             | (0.74)                             |
| <i>Diluted Earning Per Share of Rs.10 each (In Rupees)</i>  |      |                                    |                                    |
|   |      | (2.02)                             | (0.74)                             |
| <i>The accompanying notes are an integral part of these financial Statement .This is the Balance Sheet referred to our in report of</i> |      |                                    |                                    |

*even date.*

*For SREE JAYALAKSHMI AUTO SPIN  
LTD.,  
K.V.Prabhakar  
Chairman*

*T.Chandrashekhara  
Director*

*Read with our Report  
For H.M.V.Murthy & Co.,  
Firm Registration No. 004966S  
Chartered Accountants*

*(H.M.Vrushabhendra Murthy)  
Proprietor.  
Membership No.026432  
Place: Bangalore  
Date:29.05.2015*

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2015**

| P A R T I C U L A R<br>S                               |              | 2014-2015<br>Amount<br>In R |              | 2013-2014<br>Amount<br>In R |
|--|--------------|-----------------------------|--------------|-----------------------------|
| <b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>          |              |                             |              |                             |
| Net Profit before Tax & Extraordinary items            |              | <b>(8,675,330)</b>          |              | <b>(3,319,212)</b>          |
| Adjustment for Depreciation                            | 500,099      |                             | 2,468,025    |                             |
| Interest paid  | 1,675,689    |                             | 2,119,104    |                             |
| Dividend Received                                      | (9,250)      | 2,166,538                   | (16,583)     | 4,570,546                   |
| <b>Operating Profit before Working capital changes</b> |              | <b>(6,508,792)</b>          |              | <b>1,251,334</b>            |
| Adjustment for:  |              |                             |              |                             |
| Trade Receivables                                      | 15,335,800   |                             | 2,323,894    |                             |
| Inventories  | 8,069,702    |                             | (11,638,334) |                             |
| Trade Payable  | (33,473,794) |                             | 20,220,766   |                             |
| Other Current Liabilities                              | (695,911)    |                             | (580,938)    |                             |
| Short Term Provision                                   | (47,803)     | (10,812,006)                | 859,080      | 11,184,468                  |
| <b>Cash Generated from Operations</b>                  |              | <b>(17,320,798)</b>         |              | <b>12,435,802</b>           |
| Interest Paid  |              | 1,675,689                   |              | 2,119,104                   |
| <b>Net Cashflow from operating Activities (A)</b>      |              | <b>(18,996,487)</b>         |              | <b>10,316,698</b>           |
| <b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>          |              |                             |              |                             |
| Purchase of Fixed Assets                               | -            |                             | (193,177)    |                             |
| Decrease in loans & advances                           | -            |                             | -            |                             |
| Dividend Received                                      | 9,250        |                             | -            |                             |
| Decrease in Investment                                 | -            |                             | 16,583       |                             |
| Long Term Loans and advances                           | (354,872)    |                             | -            |                             |
| Short Term Loans & Advances                            | 841,674      |                             | 216,332      |                             |
| Prior Period Adjustment                                | (391,191)    |                             | (129,705)    |                             |
| <b>Net Cash used in Investing Activities (B)</b>       |              | <b>104,861</b>              |              | <b>(89,967)</b>             |
| <b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>         |              |                             |              |                             |



|  |            |                   |                     |
|--|------------|-------------------|---------------------|
| Proceeds from Long Term Borrowings                                   | 19,087,594 | (4,548,936)       |                     |
| Proceeds from Short Term Borrowings                                  | 735,569    | (5,618,168)       |                     |
| <b>Net Cash used in Financing Activities (C)</b>                     |            | <b>19,823,163</b> | <b>(10,167,104)</b> |
| <b>Net Increase or Decrease in Cash and Cash Equivalents (A+B+C)</b> |            | <b>931,537</b>    | <b>59,627</b>       |
| Cash and Cash Equivalents at 1-4-2013                                |            | 170,215           | 110,588             |
| <b>Cash and Cash Equivalents at 31-3-2014</b>                        |            | <b>1,101,752</b>  | <b>170,215</b>      |

**NOTES ON CASH FLOW STATEMENTS**

1. Above statement has been prepared following the indirect Methods Except in case of interest Received/Paid, which have been considered on the basis of actual movement of cash with necessary adjustment in corresponding Assets and Liabilities.
2. Proceeds from long term and other borrowings are shown net of repayments.
3. Cash and Cash equivalents represent Cash and Bank Balances.

**Read with our Report**

**For SREE JAYALAKSHMI  
AUTO SPIN LTD.,**

**K.V.Prabhakar  
Chairman**

**T.Chandrashekhar  
Director**

**For H.M.V.Murthy &Co.,  
Firm Registration No.  
004966S  
Chartered Accountants**

**(H.M.Vrushabhendra  
Murthy)  
Proprietor.  
Membership No.026432  
Place: Bangalore  
Date:29.05.2015**

| PARTICULARS  | AS ON 31.03.2015           |                     | AS ON 31.03.2014            |                     |
|--|----------------------------|---------------------|-----------------------------|---------------------|
|  | Amount In r                |                     | Amount In r                 |                     |
| <b>2. SHARE CAPITAL</b>  |                            |                     |                             |                     |
| <b>Authorized</b>  |                            |                     |                             |                     |
| 50,00,000 Equity Shares of Rs.10 Each  | 50,000,000.00              |                     | 50,000,000.00               |                     |
| <b>Issues</b>  |                            |                     |                             |                     |
| 44,78,200 Equity Shares of Rs.10 Each  | 44,782,000.00              |                     | 44,782,000.00               |                     |
| <b>Subscribed and Fully Paid</b>   |                            |                     |                             |                     |
| 44,78,200 Equity Shares of Rs.10 Each  | 44,782,000.00              |                     | 44,782,000.00               |                     |
| <b>otal</b>  | <b>44,782,000.00</b>       |                     | <b>44,782,000.00</b>        |                     |
| <b>Reconciliation of the number of Shares</b>  |                            | <b>31.3.2015</b>    |                             | <b>31.3.2014</b>    |
| Balance at the beginning of the period   |                            | 44,78,200           |                             | 44,78,200           |
| Issued during the year   |                            | -                   |                             | -                   |
| Bough back during the year   |                            | -                   |                             | -                   |
| Balance at the end of the year   |                            | 44,78,200           |                             | 44,78,200           |
| Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company |                            |                     |                             |                     |
| <b>Name of Shareholder</b>   | <b>As at March 31,2015</b> |                     | <b>As at March 31, 2014</b> |                     |
|  | <b>Nof Shares held</b>     | <b>% of Holding</b> | <b>No of Shares held</b>    | <b>% of Holding</b> |
| Sri K V Prabhakar  | 635932                     | 14.20               | 635932                      | 14.20               |
| Smt U Vijaya Prabhaka  | 652762                     | 14.58               | 652762                      | 14.58               |
| Smt Sanjana Prabhakar  | 310900                     | 6.94                | 310900                      | 6.94                |
| <b>3. RESERVES &amp; SURPLUS</b>   |                            |                     |                             |                     |
| <b>a. Capital Reserve:</b>   |                            |                     |                             |                     |
| Balance at the beginning of the year.  |                            | 316,000.00          |                             | 316,000.00          |
| Addition(Deletion ) during the year  |                            | -                   |                             | -                   |
| Balance at the end of the period   |                            | 316,000.00          |                             | 316,000.00          |
| <b>b.Profit and loss Account</b>   |                            |                     |                             |                     |
|  |                            | (3,29,16430)        |                             | (3,04,39,139.00)    |

|   |   |   |
|---|---|---|
| Balance at the beginning of the year  |   |   |
| : Additional Depreciation due to transitional Provisions  |   |   |
| Add; Profit(loss for the year)  | (33,42,007.00)<br>(90,66,521.00)                  | -<br>(24,77,291.00)                               |
| <b>Balance at the end of the period</b>   |   |   |
| <b>Total Reserves and Surplus</b>   | <b>(4,53,24,958.00)</b><br><b>(45,008,958.00)</b> | <b>(3,29,16,430.00)</b><br><b>(32,600,430.00)</b> |
| <b>NON CURRENT LIABILITIES</b>  |   |   |
| <b>4. LONG-TERM BOROWINGS</b>   |   |   |
| <b>Secured</b>  |   |   |
| <b>A. Loans From Banks</b>  |   |   |
| Vehicle Loan  | -   | 112,406.00  |
| <b>B. Unsecured</b>   |   |   |
| Loan From Related parties   | 21,350,000.00                                     | 2,150,000.00                                      |
| <b>OTAL</b>   | <b>21,350,000.00</b>                              | <b>2,262,406.00</b>                               |
| a.) Vehicle Loan is the taken from Kotak Mahindra Prime Securities against the Hypothecation of Vehicle Current Maturities of loan borrowing are shown under the head Other Liabilities.<br>b.) Loan from related parties are taken from Directors and does not carry any interest. |   |   |

**M/s. SREE JAYALAKSHMI AUTOSPIN LIMITED**

**Notes to the Accounts**

| PARTICULARS  | AS ON<br>31.03.2015<br>Amount In r | AS ON 31.03.2014<br>Amount In r |
|--|------------------------------------|---------------------------------|
| <b>CURRENT LIABILITIES</b>   |                                    |                                 |
| <b>5. SHORT-TERMBORROWINGS</b>   |                                    |                                 |
| <b>Secured-from Banks</b>  |                                    |                                 |
| Working Capital Loan   | 14,210,930.00                      | 13,475,361.00                   |
| Cash Credit facility from SBM-Chitradurga secured by Hypothecation of entire current assets consisting of stock in Trade, Receivables & Other Current Assets and second charges on the entire fixed assets of the company in addition to personal guarantee of Two Directors |                                    |                                 |
| <b>Total</b>   | <b>14,210,930.00</b>               | <b>13,475,361.00</b>            |
| <b>6. TRADE PAYABLE</b>  |                                    |                                 |
| a) Due to Micro Medium and Small Enterprises*  | -                                  | -                               |
| b) Sundry Creditors for supplies and others  | 13,479,435.00                      | 48,242,839.00                   |
| c) Due to Related Parties  | 3,438,774.00                       | 2,149,164.00                    |
| <b>Total</b>   | <b>16,918,209.00</b>               | <b>50,392,003.00</b>            |
| <b>refer note 26</b>   |                                    |                                 |
| <b>7. OTHER CURRENT LIABILITIES</b>  |                                    |                                 |
| Advance against sales  | 1,078,844.00                       | 1,846,166.00                    |
| Current maturities of long term borrowings*  | 112,406.00                         | 223,875.00                      |
| Sales tax payable  | 182,880.00                         | -                               |
| <b>Total</b>   | <b>1,374,130.00</b>                | <b>2,070,041.00</b>             |
| * refer the note in 4(a)   |                                    |                                 |
| <b>8. SHORT TERM PROVISIONS</b>  |                                    |                                 |
| A. Provision for Employee Benefits   | 275,855.00                         | 60,862.00                       |
| B. Others  | 2,153,681.00                       | 2,416,477.00                    |
| <b>Total</b>   | <b>2,429,536.00</b>                | <b>2,477,339.00</b>             |
| <b>10. NON -CURRENT INVESTMENTS</b>  |                                    |                                 |
| ( All unquoted unless otherwise specified)   |                                    |                                 |
| N.S.C.   | 33,000.00                          | 33,000.00                       |

|   |                  |                  |
|---|------------------|------------------|
| Unquoted & Fully paid up 500 face value Rs 100<br>Each equity shares in Merchant Co-Op bank   | 10,000.00        | 10,000.00        |
| Unquoted & Fully paid up 375 face value Rs 100<br>Each equity shares in Veerashiva Co-Op bank | 37,500.00        | 37,500.00        |
| <b>Total</b>  | <b>80,500.00</b> | <b>80,500.00</b> |
|   |                  |                  |

## Notes to the Accounts

| PARTICULARS   | AS ON<br>31.03.2015<br>Amount In r | AS ON<br>31.03.2014<br>Amount In r |
|---|------------------------------------|------------------------------------|
| <b>NON CURRENT ASSETS</b>   |                                    |                                    |
| <b>11. LONG-TERM LOANS AND ADVANCES</b>                             |                                    |                                    |
| (Unsecured, considered good)  |                                    |                                    |
| Security Deposits   | 1,228,637.00                       | 873,765.00                         |
| <b>Total</b>  | <b>1,228,637.00</b>                | <b>873,765.00</b>                  |
| <b>CURRENT ASSETS</b>   |                                    |                                    |
| <b>12. INVENTORIES</b>  |                                    |                                    |
| (As per Inventory taken, valued and certified<br>by the management) |                                    |                                    |
| Raw Materials   | 10,725,548.00                      | 21,809,090.00                      |
| Work in Process   | 514,017.00                         | 473,926.00                         |
| Finished Goods  | 13,775,322.00                      | 10,801,573.00                      |
| Stores and Consumables  | 350,000.00                         | 350,000.00                         |
| <b>Total</b>  | <b>25,364,887.00</b>               | <b>33,434,589.00</b>               |
| <b>13. TRADE RECEIVABLES</b>  |                                    |                                    |
| <b>Secured</b>  |                                    |                                    |
|   | -                                  | -                                  |
| <b>Unsecured</b>  |                                    |                                    |
| <b>(Unsecured considered good)</b>                                  |                                    |                                    |
| a) Over six months *  | 46,55,897.00                       | 9,652,477.00                       |
| b) Others   | 1,25,92,427.00                     | 22,931,629.00                      |
| <b>Total</b>  | <b>17,248,306.00</b>               | <b>32,584,106.00</b>               |

\*Out of the above debtors over six month Rs 22,41,894.00 is under dispute. As per the opinion of the management whole amount is recoverable. No provision has been made in the books for the same.

Notes to the Accounts

| PARTICULARS   | AS ON<br>31.03.2015<br>Amount In r | AS ON 31.03.2014<br>Amount<br>In r |
|---|------------------------------------|------------------------------------|
| <b>14. CASH AND BANK BALANCES</b>   |                                    |                                    |
| <b>Cash &amp; Cash Equivalents</b>  |                                    |                                    |
| a) Cash in hand   | 984,875.00                         | 33,862.00                          |
| b) Balance with Schedule Banks in<br>current Accounts   | 116,877.00                         | 136,353.00                         |
| <b>Total</b>  | <b>1,101,752.00</b>                | <b>170,215.00</b>                  |
| <b>15. SHORT TERM LOANS AND<br/>ADVANCES</b><br>(Advances recoverable in cash or<br>in kind or<br>for value to be received) |                                    |                                    |
| a) Unsecured & Considered good  | 2,756,516.00                       | 2,894,768.00                       |
| b) Balance with revenue<br>authorities  | 605,459.00                         | 1,003,506.00                       |
| <b>Others</b>   |                                    |                                    |
| a) Staff advance  | 71,300.00                          | 376,675.00                         |
| <b>Total</b>  | <b>3,433,275.00</b>                | <b>4,274,949.00</b>                |

*M/s.SREE JAYALAKSHMI  
AUTOSPIN LIMITED  
Notes to the Accounts*

| PARTICULARS                              | AS ON<br>31.03.2015<br>Amount In r | AS ON 31.03.2014<br>Amount<br>In r |
|--|------------------------------------|------------------------------------|
| <b>16. REVENUE FROM OPERATION</b>        |                                    |                                    |
| From Sale of :                           |                                    |                                    |
| Cotton Lint                              | 53,640,436.00                      | 98,928,475.00                      |
| Cotton Yarn                              | 41,713,162.00                      | 49,205,845.00                      |
| Cotton Seeds                             | 19,899,816.00                      | 32,629,624.00                      |
| Kappas                                   | -                                  | 581,228.00                         |
| Cotton waste                             | 353,247.00                         | 303,202.00                         |
|  | <b>115,606,661.00</b>              | <b>181,648,374.00</b>              |
| Less: Quality allowance                  | 270,916.00                         | 337,799.00                         |
| <b>Total</b>                             | <b>115,335,745.00</b>              | <b>181,310,575.00</b>              |
| <b>17. OTHER INCOMES</b>                 |                                    |                                    |
| Other Income                             | 192,947.00                         | -                                  |
| Dividend                                 | 9,250.00                           | 16,583.00                          |
| <b>Total</b>                             | <b>202,197.00</b>                  | <b>16,583.00</b>                   |
| <b>18. COST OF MATERIAL CONSUMED</b>     |                                    |                                    |
| Opening Stock                            | 21,809,090.00                      | 8,905,371.00                       |
| Opening Stock in process                 | 473,926.00                         | 511,983.00                         |
| Purchases                                | 96,829,154.00                      | 173,074,402.00                     |
|  | <b>119,112,170.00</b>              | <b>182,491,756.00</b>              |
| Less : a) closing stock of raw materials | 10,725,548.00                      | 21,809,090.00                      |
| b) closing stock of WIP                  | 514,017.00                         | 473,926.00                         |
| <b>Total Raw Materials Consumed</b>      | <b>107,872,605.00</b>              | <b>160,208,740.00</b>              |



|   |                       |                      |
|---|-----------------------|----------------------|
| <b>19. CHANGES IN INVENTORIES OF FINISHED GOODS WORK-IN-PROGRESS AND STOCK-IN-TRADE</b> |                       |                      |
| <b>Increase/Decrease in finished goods:</b>   |                       |                      |
| Add: Opening stock of finished goods  | 10,801,573.00         | 12,053,901.00        |
| Less: Closing Stock of Finished Goods   | 13,775,322.00         | 10,801,573.00        |
| <b>Total</b>  | <b>(2,973,749.00)</b> | <b>1,252,328.00</b>  |
| <b>20. OTHER MANUFACTURING EXPENSES</b>   |                       |                      |
| Consumption of Consumable Stores  | 1,028,870.00          | 1,687,857.00         |
| Ginning Expenses  | -                     | 17,260.00            |
| Directors Remuneration  | 180,000.00            | 180,000.00           |
| Pressing Charges  | 555,005.00            | 1,030,703.00         |
| Consignment Expenses  | 6,000.00              | 136,069.00           |
| Power & Fuel  | 7,405,897.00          | 8,294,231.00         |
| Rent, Rates & Taxes   | 974,289.00            | 495,891.00           |
| Repairs & Maintenance Building Plant & Machinery  | 1,015,156.00          | 904,287.00           |
|   | <b>11,165,217.00</b>  | <b>12,746,298.00</b> |
| <b>21. EMPLOYEE BENEFITS EXPENSES</b>   |                       |                      |
| a) Salaries and Wages   | 1,184,915.00          | 858,257.00           |
| b) Contribution to PF & ESI & Other Fund  | 216,648.00            | 549,679.00           |
| c) Staff & Labour Welfare   | 110,038.00            | 79,082.00            |
| <b>Total</b>  | <b>1,511,601.00</b>   | <b>1,487,018.00</b>  |

**M/s.SREE JAYALAKSHMI  
AUTOSPIN LIMITED  
Notes to the Accounts**

| <b>PARTICULARS</b>                   | <b>AS ON<br/>31.03.2015<br/>Amount In<br/>r</b> | <b>AS ON 31.03.2014 Amount In r</b> |
|--------------------------------------|---|-------------------------------------|
| <b>22. FINANCE COST</b>              |   |                                     |
| Interest on OD A/c                   | 1,549,314.00                                    | 1,938,362.00                        |
| Interest on Vehicle Loan A/c         | 41,925.00                                       | 47,658.00                           |
| Bank Charges & Others                | 84,450.00                                       | 133,084.00                          |
| <b>Total</b>                         | <b>1,675,689.00</b>                             | <b>2,119,104.00</b>                 |
| <b>23. OTHER EXPENSES</b>            |   |                                     |
| Insurance                            | 130,547.00                                      | 174,889.00                          |
| Communication expenses               | 96,391.00                                       | 100,050.00                          |
| <b>Travelling &amp; Conveyance:-</b> |   |                                     |
| Directors                            | 5,000.00  | 14,550.00                           |
| Others                               | 366,948.00                                      | 316,263.00                          |
| Vehicle Maintenance                  | 174,999.00                                      | 216,511.00                          |
| Printing & Stationery                | 146,249.00                                      | 107,461.00                          |
| Legal & Professional                 |   |                                     |
| Charges                              | 18,522.00                                       | 199,972.00                          |
| Payment to Auditors                  |   |                                     |
| Audit Fees                           |   |                                     |
| Rs. 50562                            |   |                                     |
| Tax Audit                            |   |                                     |
| Fees Rs.28,090                       |   |                                     |
| For Representation matters           |   |                                     |
| Rs 30000                             |   |                                     |
| Out of Packet Expenses               |   |                                     |
| Rs 13134                             | 121,786.00                                      | 82,375.00                           |
| Miscellaneous Expenses               | 1,028,211.00                                    | 1,009,638.00                        |
| Commission and Brokerage             | 1,544,127.00                                    | 1,021,206.00                        |
| Frieght Outward                      | 791,030.00                                      | 1,037,422.00                        |
| Charity                              | 38,000.00                                       | 84,520.00                           |

|  | <b>4,461,810.0</b>  |                     |                      |                     |                   |  |                        |                    |                |                        |                         |                        |                      |                        |                      |   |                             |        |                       |        |                              |        |                         |        |  |        |                              |        |                             |        |                                  |        |                           |        |                                     |        |                                |        |                               |     |                             |        |                         |        |
|--|---|---------------------|----------------------|---------------------|-------------------|--|------------------------|--------------------|----------------|------------------------|-------------------------|------------------------|----------------------|------------------------|----------------------|---|-----------------------------|--------|-----------------------|--------|------------------------------|--------|-------------------------|--------|--|--------|------------------------------|--------|-----------------------------|--------|----------------------------------|--------|---------------------------|--------|-------------------------------------|--------|--------------------------------|--------|-------------------------------|-----|-----------------------------|--------|-------------------------|--------|
| <b>Total</b>   | <b>0</b>  | <b>4,364,857.00</b> |                      |                     |                   |  |                        |                    |                |                        |                         |                        |                      |                        |                      |   |                             |        |                       |        |                              |        |                         |        |  |        |                              |        |                             |        |                                  |        |                           |        |                                     |        |                                |        |                               |     |                             |        |                         |        |
| <p>24. Company has not appointed company secretary in terms of section 203 of the companies Act of 2013.</p> <p>25. The balances in the parties accounts under Sundry Creditors, Sundry Debtors, Advance from Customers, Loans &amp; Advances, Deposits etc., are subject to confirmation./ Reconciliation/ Adjustments if any.</p> <p>26. Sundry creditors dues to Micro, small and Medium enterprisers development Act,2006, could not be ascertained due to lack of information.</p> <p>27. Expenditure incurred in foreign currency- Rs. NIL</p> <p>28. C I F Value of imports of raw material Rs NIL.</p> <p>29. Previous years figures have been regrouped and reclassified wherever necessary in order to be in conformity with current years presentation.</p> <p>30. As the company has brought forward taxable losses, no provision for tax has been made. Taking into account the consideration of prudence, no asset or liability is anticipated on account of Deferred tax.</p> <p>31. The Company has taken a Ginning unit on lease basis with effect from 29.08.2008, the operating results were incorporated in the accounts</p> <p><b>32. Related party disclosures</b><br/> <b>Related party disclosures as required by AS18" Related party disclosures " are given below</b></p> <p><b>(i) Relationships</b></p> <table border="0"> <thead> <tr> <th style="text-align: left;"><b>Related Party</b></th> <th style="text-align: left;"><b>Relationship</b></th> </tr> </thead> <tbody> <tr> <td>Sri K.V.Prabhakar</td> <td>Managing Director (Executive Director)</td> </tr> <tr> <td>Smt.U Vijaya Prabhakar</td> <td>Executive Director</td> </tr> <tr> <td>Sri Ramamurthy</td> <td>Non Executive Director</td> </tr> <tr> <td>Sri Vishwanath.K.Mamini</td> <td>Non Executive Director</td> </tr> <tr> <td>Sri T.Chandrashekhar</td> <td>Non Executive Director</td> </tr> </tbody> </table> <p><b>Sri K V Prabhakar</b></p> <table border="0"> <tr> <td>K.V.Prabhakar(H.U.F)</td> <td>Enterprises in which Key Management Personnel/relatives is/are interested</td> </tr> <tr> <td>Vakratunda Agritech Pvt Ltd</td> <td>--do--</td> </tr> <tr> <td>Sree Ganesar Textiles</td> <td>--do--</td> </tr> <tr> <td>The Union Theaters (P) Ltd.,</td> <td>--do--</td> </tr> <tr> <td>City Fort Finvest Ltd.,</td> <td>--do--</td> </tr> <tr> <td>The Margarine Refined Oil Cp Pvt Ltd.,</td> <td>--do--</td> </tr> <tr> <td>Sree Vijayalakshmi Oil Mills</td> <td>--do--</td> </tr> <tr> <td>Veerabhadreswara Trading Co</td> <td>--do--</td> </tr> <tr> <td>Vijayalakshmi Cotton Enterprises</td> <td>--do--</td> </tr> <tr> <td>Sree Srinivasa Industries</td> <td>--do--</td> </tr> <tr> <td>Shri Jaya Infotech Services Pvt Ltd</td> <td>--do--</td> </tr> <tr> <td>Basaveswara Cotton Commercials</td> <td>--do--</td> </tr> <tr> <td><b>Smt.U Vijaya Prabhakar</b></td> <td>---</td> </tr> <tr> <td>Vakratunda Agritech Pvt Ltd</td> <td>--do--</td> </tr> <tr> <td>City Fort Finvest Ltd.,</td> <td>--do--</td> </tr> </table> |   |                     | <b>Related Party</b> | <b>Relationship</b> | Sri K.V.Prabhakar | Managing Director (Executive Director) | Smt.U Vijaya Prabhakar | Executive Director | Sri Ramamurthy | Non Executive Director | Sri Vishwanath.K.Mamini | Non Executive Director | Sri T.Chandrashekhar | Non Executive Director | K.V.Prabhakar(H.U.F) | Enterprises in which Key Management Personnel/relatives is/are interested | Vakratunda Agritech Pvt Ltd | --do-- | Sree Ganesar Textiles | --do-- | The Union Theaters (P) Ltd., | --do-- | City Fort Finvest Ltd., | --do-- | The Margarine Refined Oil Cp Pvt Ltd., | --do-- | Sree Vijayalakshmi Oil Mills | --do-- | Veerabhadreswara Trading Co | --do-- | Vijayalakshmi Cotton Enterprises | --do-- | Sree Srinivasa Industries | --do-- | Shri Jaya Infotech Services Pvt Ltd | --do-- | Basaveswara Cotton Commercials | --do-- | <b>Smt.U Vijaya Prabhakar</b> | --- | Vakratunda Agritech Pvt Ltd | --do-- | City Fort Finvest Ltd., | --do-- |
| <b>Related Party</b>   | <b>Relationship</b>   |                     |                      |                     |                   |  |                        |                    |                |                        |                         |                        |                      |                        |                      |   |                             |        |                       |        |                              |        |                         |        |  |        |                              |        |                             |        |                                  |        |                           |        |                                     |        |                                |        |                               |     |                             |        |                         |        |
| Sri K.V.Prabhakar  | Managing Director (Executive Director)                                    |                     |                      |                     |                   |  |                        |                    |                |                        |                         |                        |                      |                        |                      |   |                             |        |                       |        |                              |        |                         |        |  |        |                              |        |                             |        |                                  |        |                           |        |                                     |        |                                |        |                               |     |                             |        |                         |        |
| Smt.U Vijaya Prabhakar   | Executive Director  |                     |                      |                     |                   |  |                        |                    |                |                        |                         |                        |                      |                        |                      |   |                             |        |                       |        |                              |        |                         |        |  |        |                              |        |                             |        |                                  |        |                           |        |                                     |        |                                |        |                               |     |                             |        |                         |        |
| Sri Ramamurthy   | Non Executive Director  |                     |                      |                     |                   |  |                        |                    |                |                        |                         |                        |                      |                        |                      |   |                             |        |                       |        |                              |        |                         |        |  |        |                              |        |                             |        |                                  |        |                           |        |                                     |        |                                |        |                               |     |                             |        |                         |        |
| Sri Vishwanath.K.Mamini  | Non Executive Director  |                     |                      |                     |                   |  |                        |                    |                |                        |                         |                        |                      |                        |                      |   |                             |        |                       |        |                              |        |                         |        |  |        |                              |        |                             |        |                                  |        |                           |        |                                     |        |                                |        |                               |     |                             |        |                         |        |
| Sri T.Chandrashekhar   | Non Executive Director  |                     |                      |                     |                   |  |                        |                    |                |                        |                         |                        |                      |                        |                      |   |                             |        |                       |        |                              |        |                         |        |  |        |                              |        |                             |        |                                  |        |                           |        |                                     |        |                                |        |                               |     |                             |        |                         |        |
| K.V.Prabhakar(H.U.F)   | Enterprises in which Key Management Personnel/relatives is/are interested |                     |                      |                     |                   |  |                        |                    |                |                        |                         |                        |                      |                        |                      |   |                             |        |                       |        |                              |        |                         |        |  |        |                              |        |                             |        |                                  |        |                           |        |                                     |        |                                |        |                               |     |                             |        |                         |        |
| Vakratunda Agritech Pvt Ltd  | --do--  |                     |                      |                     |                   |  |                        |                    |                |                        |                         |                        |                      |                        |                      |   |                             |        |                       |        |                              |        |                         |        |  |        |                              |        |                             |        |                                  |        |                           |        |                                     |        |                                |        |                               |     |                             |        |                         |        |
| Sree Ganesar Textiles  | --do--  |                     |                      |                     |                   |  |                        |                    |                |                        |                         |                        |                      |                        |                      |   |                             |        |                       |        |                              |        |                         |        |  |        |                              |        |                             |        |                                  |        |                           |        |                                     |        |                                |        |                               |     |                             |        |                         |        |
| The Union Theaters (P) Ltd.,   | --do--  |                     |                      |                     |                   |  |                        |                    |                |                        |                         |                        |                      |                        |                      |   |                             |        |                       |        |                              |        |                         |        |  |        |                              |        |                             |        |                                  |        |                           |        |                                     |        |                                |        |                               |     |                             |        |                         |        |
| City Fort Finvest Ltd.,  | --do--  |                     |                      |                     |                   |  |                        |                    |                |                        |                         |                        |                      |                        |                      |   |                             |        |                       |        |                              |        |                         |        |  |        |                              |        |                             |        |                                  |        |                           |        |                                     |        |                                |        |                               |     |                             |        |                         |        |
| The Margarine Refined Oil Cp Pvt Ltd.,   | --do--  |                     |                      |                     |                   |  |                        |                    |                |                        |                         |                        |                      |                        |                      |   |                             |        |                       |        |                              |        |                         |        |  |        |                              |        |                             |        |                                  |        |                           |        |                                     |        |                                |        |                               |     |                             |        |                         |        |
| Sree Vijayalakshmi Oil Mills   | --do--  |                     |                      |                     |                   |  |                        |                    |                |                        |                         |                        |                      |                        |                      |   |                             |        |                       |        |                              |        |                         |        |  |        |                              |        |                             |        |                                  |        |                           |        |                                     |        |                                |        |                               |     |                             |        |                         |        |
| Veerabhadreswara Trading Co  | --do--  |                     |                      |                     |                   |  |                        |                    |                |                        |                         |                        |                      |                        |                      |   |                             |        |                       |        |                              |        |                         |        |  |        |                              |        |                             |        |                                  |        |                           |        |                                     |        |                                |        |                               |     |                             |        |                         |        |
| Vijayalakshmi Cotton Enterprises   | --do--  |                     |                      |                     |                   |  |                        |                    |                |                        |                         |                        |                      |                        |                      |   |                             |        |                       |        |                              |        |                         |        |  |        |                              |        |                             |        |                                  |        |                           |        |                                     |        |                                |        |                               |     |                             |        |                         |        |
| Sree Srinivasa Industries  | --do--  |                     |                      |                     |                   |  |                        |                    |                |                        |                         |                        |                      |                        |                      |   |                             |        |                       |        |                              |        |                         |        |  |        |                              |        |                             |        |                                  |        |                           |        |                                     |        |                                |        |                               |     |                             |        |                         |        |
| Shri Jaya Infotech Services Pvt Ltd  | --do--  |                     |                      |                     |                   |  |                        |                    |                |                        |                         |                        |                      |                        |                      |   |                             |        |                       |        |                              |        |                         |        |  |        |                              |        |                             |        |                                  |        |                           |        |                                     |        |                                |        |                               |     |                             |        |                         |        |
| Basaveswara Cotton Commercials   | --do--  |                     |                      |                     |                   |  |                        |                    |                |                        |                         |                        |                      |                        |                      |   |                             |        |                       |        |                              |        |                         |        |  |        |                              |        |                             |        |                                  |        |                           |        |                                     |        |                                |        |                               |     |                             |        |                         |        |
| <b>Smt.U Vijaya Prabhakar</b>  | ---   |                     |                      |                     |                   |  |                        |                    |                |                        |                         |                        |                      |                        |                      |   |                             |        |                       |        |                              |        |                         |        |  |        |                              |        |                             |        |                                  |        |                           |        |                                     |        |                                |        |                               |     |                             |        |                         |        |
| Vakratunda Agritech Pvt Ltd  | --do--  |                     |                      |                     |                   |  |                        |                    |                |                        |                         |                        |                      |                        |                      |   |                             |        |                       |        |                              |        |                         |        |  |        |                              |        |                             |        |                                  |        |                           |        |                                     |        |                                |        |                               |     |                             |        |                         |        |
| City Fort Finvest Ltd.,  | --do--  |                     |                      |                     |                   |  |                        |                    |                |                        |                         |                        |                      |                        |                      |   |                             |        |                       |        |                              |        |                         |        |  |        |                              |        |                             |        |                                  |        |                           |        |                                     |        |                                |        |                               |     |                             |        |                         |        |

## (ii) Transactions made during the year with "Related Parties" during the course of Business..

| Nature of Transactions  | Interested Enterprises/Directors   | Key management Personnel  |
|---|--|---|
| Job Work<br>Purchases<br>Loan Paid And Received<br>Rent<br>Remuneration   | (Rs in '000's)   | (Rs in '000's)<br>3,072.23<br>5,058.60<br>21,530.00<br>360.00<br>180.00 |
| <b>33.Earning per share (A.S.20)</b>  | <b>2014-15</b>   | <b>2013-14</b>  |
| Profit (Loss) as per profit and loss account<br>Weighted average number of equity shares outstanding<br>Basic and diluted earning per share | (90,66,521.00)<br>4,478,200.00<br>(2.02)   | (3,319,212.00)<br>4,478,200.00<br>(0.74)                                |
| The accompany notes are on integral parts of shares financial Statements.<br>For SREE JAYALAKSHMI AUTO SPIN LTD.,<br>Read with our Report   |  |   |
| <b>K.V.Prabhakar</b><br>Chairman<br><br><b>T.Chandrashekhkar</b><br>Director  | <b>For H.M.V.Murthy &amp;Co.,</b><br><b>Firm Registration No. 004966S</b><br><b>Chartered Accountants</b><br><br><b>(H.M.Vrushabhendra Murthy)</b><br>Proprietor.<br>Membership No.026432<br>Place: Bangalore<br>Date:29.05.2015 |   |

**M/s.SREE JAYALAKSHMI  
AUTOSPIN LIMITED**

**34. Licenced & Installed Capacity**

| <b>1. LICENCED &amp; INSTALLED</b>                            |                     |                          |                           |                       |
|---|---------------------|--------------------------|---------------------------|-----------------------|
|   | <b>Units in Kgs</b> | <b>Licenced Capacity</b> | <b>Installed Capacity</b> |                       |
| <b>2. CAPACITY</b>  |                     |                          |                           |                       |
| Spinning Unit:  |                     |                          | 7056 Spindle              |                       |
| Ginning Unit:   |                     |                          |                           |                       |
| Conversion of Cotton Kappas into Cotton Lint and Cotton Seeds |                     |                          | 10Gins<br>NIL             |                       |
| <b>3. PRODUCTION</b>  |                     | <b>31.03.2015</b>        | <b>31.03.2014</b>         |                       |
| Yarn  |                     | 192,102.00               | 207,165.00                |                       |
| Waste   |                     | 34,626.00                | 30,647.00                 |                       |
| Cotton Seeds  |                     | 1,406,460.00             | 1,931,630.00              |                       |
| <b>4. RAW MATERIAL CONSUMPTION:-</b>                          |                     |                          |                           |                       |
| <b>SPINNING UNIT</b>  |                     |                          |                           |                       |
| Lint  | 227,584.00          | 107,872,605.00           | 218,671.00                | 150,195,049.00        |
| <b>TOTAL</b>  |                     | <b>107,872,605.00</b>    |                           | <b>150,195,049.00</b> |
| <b>5. Turnover Particulars</b>                                |                     |                          |                           |                       |
| a) Yarn   | 149,093.00          | 41,713,162.00            | 147,947.00                | 49,205,845.00         |
| b) Cotton Lint  | 535,881.00          | 53,640,436.00            | 799,837.00                | 98,928,475.00         |
| c) Cotton Seeds   | 1,338,422.00<br>0   | 19,899,816.00            | 1,972,030.00              | 32,629,624.00         |
| d) Waste  | 16,540.00           | 117,437.00               | 5,900.00                  | 47,242.00             |
| <b>6. Opening Stock of Finished Goods</b>                     |                     |                          |                           |                       |
| a) Yarn   | 29,935.00           | 5,288,113.00             | 27,538.00                 | 3,992,976.00          |
| b) Cotton Lint  | 37,655.00           | 3,553,511.00             | 93,655.00                 | 8,667,600.00          |
| c) Waste  | 5,900.00            | 48,236.00                | 483.00                    | 4,012.00              |
| d) Cotton Seeds   | 347,567.00          | 6,717,552.00             | 275,360.00                | 4,875,213.00          |
| <b>7. Closing Stock of Finished Goods</b>                     |                     |                          |                           |                       |
| a) Yarn *   | 17,462.00           | 2,858,399.00             | 29,935.00                 | 5,288,113.00          |

|   |            |               |            |              |
|---|------------|---------------|------------|--------------|
| b) Waste  | 16,540.00  | 117,437.00    | 5,900.00   | 48,236.00    |
| c)<br>Cotton Seeds  | 515,380.00 | 10,799,486.00 | 347,567.00 | 6,717,552.00 |
| d)<br>Cotton Lint   | 50,041.00  | 4,678,608.00  | 37,655.00  | 3,553,511.00 |
| <b>8. WORK IN PROGRESS</b>  |            |               |            |              |
| a) Cotton<br>in Process   | 4,407.00   | 514,017.00    | 4,138.00   | 511,983.00   |
| *Closing Stock of Yarn includes 0 Kgs with consignment Agents./ ( Previous year 2551 kgs) |            |               |            |              |
| 10. Value of Exports: (FOB Value)-Through Merchant Export Nil (Previous Year NIL )        |            |               |            |              |

**35. Details of Segment Reporting**

| Information about business segment (Primary) | 2014-15     |             |            | Total       |
|--|-------------|-------------|------------|-------------|
|  | Cotton Yarn | Cotton Lint | others     |             |
| Sales revenue from external customers        | 41,442,246  | 53,640,436  | 20,253,063 | 115,335,745 |
| Other segment revenue                        | 192,947     | -           | 9,250      | 202,197     |
| Total Revenue                                |             |             |            | 115,537,942 |
| Segment results                              | 11,033,185  | 77,352,179  | 34,152,219 | 122,537,583 |
| Unallocated results                          | -           | -           | -          | -           |
| Less: Financial expenses                     | -           | -           | -          | 1,675,689   |
| Profit Before Tax                            |             |             |            | (8,675,330) |
| Provision for Tax                            | -           | -           | -          | -           |
| Segment assets                               | 20,456,705  | 5,192,625   | 16,963,863 | 42,613,193  |
| Unallocated corporate assets                 | -           | -           | -          | 13,442,654  |
| Total Assets                                 | -           | -           | -          | 56,055,847  |
| Segment Liabilities                          | 285,071.00  | 12,537,844  | 4,095,294  | 16,918,209  |
| Unallocated corporate Liabilities            |             |             |            | 39,137,638  |
| Total Liabilities                            |             |             |            | 56,055,847  |

**OTHER DISCLOSURES -**

1. Segments have been identified in line with the accounting standard 17 "Segment Reporting" taking into account the organisation structure as well as the differing risks and returns.

2. Company has disclosed business segment as the primary segment.

3. Composition of business segment.

|                     |                               |
|---------------------|-------------------------------|
| Name of the segment | Comprises of                  |
| a) Cotton Yarn      |                               |
| b) Cotton Lint      |                               |
| c) Others           | Wastes, Cotton seeds & Kappas |

4. The segment revenue results, assets and liabilities include the respective amounts identifiable to each of the segments and amounts allocated on reasonable basis.

5. The accounting policies of the segments are the same as those described in the significant accounting policy as referred in schedule 18 to the accounts.

**For SREE JAYALAKSHMI AUTO SPIN LTD.,**

*Read with our Report*

**K.V.Prabhakar**

Chairman

**T.Chandrashekar**

Director

**For H.M.V.Murthy**

**&Co.,**

**Firm Registration No.**

**004966S**

**Chartered Accountants**

**(H.M.Vrushabhendra**

**Murthy)**

**Proprietor.**

**Membership No.026432**

**Place: Bangalore**

**Date:29.05.2015**

**M/s.SREE JAYALAKSHMI AUTOSPIN LIMITED**

**1. Significant Accounting Policies**

**NOTES TO THE ACCOUNTS**

**1. Significant Accounting Policies:**

1. 1 a) The financial Statements are prepared on accrual basis under the historical cost convention.

b) Sales Excludes amount recovered towards Value Added Tax & Other taxes

**1.2 Fixed Assets:**

a) Fixed Assets are stated at cost less depreciation. All expenses relating to the acquisition and installation of fixed assets are capitalised.

b) Depreciation on all assets is being provided on straight line method at rates specified in Schedule II to the Companies Act 2013

c) Depreciation on assets sold, discarded or demolished during the year is being provided at their

Respective rates up to the month in which such assets are sold, discarded or demolished.

d) An asset is treated as impaired when the carrying cost of an asset exceeds its recoverable Value And the Impairment loss is charged to profit and loss account in the year in which asset is impaired.

**1.3 Government Grants:**

a) Grants in the form of capital/investment subsidy are treated as capital reserves.

b) Grants relating to fixed assets are adjusted in the cost of such assets.

**1.4 Inventories:**

a) Raw Materials, Stores and spares, are valued at cost, Finished goods and work in progress are valued at cost or net realisable value whichever is lower.

**1.5 INVESTMENTS:** Current Investments are carried at lower off cost or fair value whichever is less and noncurrent investments are stated at cost provision for diminution in the value of non current investment is made only if such declaim is other than temporary in nature.

1.6 Due to uncertainty, Income on account of Insurance claims are accounted for as and when received.

**RETIREMENT BENEFITS :**

1.7 Provision for employer's contribution towards P.F & E.S.I has been made during the year and it is paying the premium as per contract. And also the premium as per contract. And no prvision has been made for the year.



**M/s.SREE JAYALAKSHMI AUTOSPIN LIMITED**

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

| <b>I REGISTRATION DETAILS</b>  |                 |                             |                |
|--|-----------------|-----------------------------|----------------|
| Registration No  | 11,732          | State Code                  | 08             |
| Balance Sheet Date   | 3/31/2015       |                             |                |
| <b>II CAPITAL RAISED DURING THE YEAR (Amount In Rs )</b>                     |                 |                             |                |
| Public Issue   | NIL             | Rights Issue                | NIL            |
|  |                 | Private                     |                |
| Bonus Issue  | NIL             | Placement                   | NIL            |
| <b>III POSITION OF MOBILISATION AND DEVELOPMENT OF FUNDS (Amount In Rs.)</b> |                 |                             |                |
| <b>TOTAL LIABILITIES</b>   | 56,055,847.00   | <b>TOTAL ASSETS</b>         | 56,055,847.00  |
| <b>SOURCES OF FUNDS</b>  |                 |                             |                |
| Paid Up Capital  | 44,782,000.00   |                             |                |
| Reserves & Surplus   | (45,008,958.00) | Share Warrants              | NIL            |
| Unsecured Loans  | 14,210,930.00   | Secured Loans               | 112,406.00     |
| <b>APPLICATION OF FUNDS</b>  |                 |                             |                |
| Net Fixed Assets   | 7,598,490.00    | Investments                 | 80,500.00      |
|  |                 | Miscellaneous               |                |
| Net Current Assets   | 12,215,415.00   | Expenditure                 | NIL            |
|  |                 | Deferred                    |                |
| Accumulated Losses   | (45,324,958.00) | Taxation                    | NIL            |
| <b>IV PERFORMANCE OF COMPANY(Amount In Rs )</b>                              |                 |                             |                |
|  |                 | Total                       |                |
| Turnover (Total Income)  | 115,537,942.00  | Expenditure                 | 124,213,272.00 |
| Profit / ( Loss ) Before Tax   | (8,675,330.00)  | Profit / ( Loss ) After Tax | (9,066,521.00) |
| Earning Per Share (In Rs.)   | (2.02)          | Dividend Rate               | NIL            |
| <b>V GENERIC NAMES OF TWO PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY</b>     |                 |                             |                |
| <b>ITEM CODE NO (ITC Code)</b>   |                 | <b>PRODUCT DESCRIPTION</b>  |                |
| 140,420.00   |                 | Cotton Linters              |                |
| 120,720.00   | Cotton Yarn     | Cotton Seeds                |                |
|  |                 | <b>K.V.Prabhakar</b>        |                |
|  |                 | <b>Chairman</b>             |                |
|  |                 | <b>T.Chandrashekhar</b>     |                |
|  |                 | <b>Director</b>             |                |

Place: Chitradurga  
Date:29.05.2015

*M/s.SREE JAYALAKSHMI AUTOSPIN LIMITED*

**9. FIXED ASSETS**

| PARTICULARS             | BALANCE AS ON 01.04.2014 | GROSS BLOCK       |            |                      | DEPRECIATION         |                     |   |                   | TOTAL                | NET BLOCK            |                      |
|-------------------------|--------------------------|-------------------|------------|----------------------|----------------------|---------------------|---|-------------------|----------------------|----------------------|----------------------|
|                         |                          | ADDI TIONS        | DELE TIONS | TOTAL                | AS ON 01.04.2014     | FOR THE YEAR        | Additional Depreciation due to transitional Provision | DELA TIONS        |                      | AS ON 31.03.2015     | AS ON 31.03.2014     |
| LAND                    | 889,752.00               | -                 | -          | 889,752.00           | -                    | -                   | -   | -                 | -                    | 889,752.00           | 889,752.00           |
| BUILDING                | 9,693,547.00             | -                 | -          | 9,693,547.00         | 5,607,918.00         | 290,104.00          | 33,841.00   | -                 | 5,931,863.00         | 3,761,684.00         | 4,085,629.00         |
| PLANT & MACHINERY       | 38,450,213.00            | -                 | -          | 38,450,213.00        | 33,513,071.00        | -                   | 3,099,724.00  | -                 | 36,612,795.00        | 1,837,418.00         | 4,937,142.00         |
| ELECTRICAL INSTALATIONS | 2,164,527.00             | -                 | -          | 2,164,527.00         | 2,164,526.00         | -                   | -   | -                 | 2,164,526.00         | 1.00                 | 1.00                 |
| FURNITURE & FITTINGS    | 424,178.00               | -                 | -          | 424,178.00           | 208,938.00           | 38,282.00           | -   | -                 | 247,220.00           | 176,958.00           | 215,240.00           |
| VEHICALS                | 2,382,904.00             | -                 | -          | 2,382,904.00         | 1,319,209.00         | 171,713.00          | -   | -                 | 1,490,922.00         | 891,982.00           | 1,063,695.00         |
| OTHER ASSETS            | 844,285.00               | -                 | -          | 844,285.00           | 595,148.00           | -                   | 208,442.00  | -                 | 803,590.00           | 40,695.00            | 249,137.00           |
| <b>TOTAL</b>            | <b>54,849,406.00</b>     | <b>-</b>          | <b>-</b>   | <b>54,849,406.00</b> | <b>43,408,810.00</b> | <b>500,099.00</b>   | <b>3,342,007.00</b>                                   | <b>-</b>          | <b>47,250,916.00</b> | <b>7,598,490.00</b>  | <b>11,440,596.00</b> |
| <b>PREVIOUS YEAR</b>    | <b>54,656,229.00</b>     | <b>193,177.00</b> | <b>-</b>   | <b>54,849,406.00</b> | <b>41,912,413.00</b> | <b>2,468,025.00</b> | <b>-</b>  | <b>971,628.00</b> | <b>43,408,810.00</b> | <b>11,440,596.00</b> | <b>12,743,818.00</b> |

Note: The use full life of the faced assets have been revised in accordance with Schedule II of the Companies Act 2013 which is applicable from accounting periods commencing on or after 1st April 2014. Accordingly an amount of ₹ 33.42 lacs representing assets beyond their usefully life as on 1st April 2014 has been adjusted with the opening balance of profit and loss account.

## Sree Jayalakshmi Auto Spin Limited

Regd. Office : "SANJANA" Davanagere Road, Chitradurga-577501

### ATTENDANCE SLIP

Members or their proxies are requested to present this form for admission, duly signed in accordance with their specimen signatures registered with the company.

Regd. Folio no \_\_\_\_\_

NAME OF ATTENDING PERSON (IN BLOCK LETTERS) \_\_\_\_\_

NAME OF PROXY (IN BLOCK LETTER)

(To be filled in if the Proxy attends instead of Member) No. of shares held-----

I, Hereby Record My Presence At The Annual General Meeting Of The Company Being Held on Monday, 24th August, 2015 at 11.00 A.M. at 80/81, Kelagote (KIADB) Industrial area , Old NH-4, Chitradurga-577501

\_\_\_\_\_ Member's / Proxy's Signature \*

\* (To be signed at the time of handing over this slip)

### Sree Jayalakshmi Auto Spin Limited

Regd. Office : "SANJANA" Davanagere Road, Chitradurga-577501

### PROXY FORM

No. of shares held \_\_\_\_\_ Regd. Folio No. \_\_\_\_\_

I/We \_\_\_\_\_, S/o \_\_\_\_\_

in the district of \_\_\_\_\_ being a member/members of **Sree Jayalakshmi Auto Spin Limited** hereby appoint Mr./Mrs./Ms. \_\_\_\_\_ of \_\_\_\_\_ as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on Monday, 24th August, 2015 at 11.00 A.M. at 80/81, Kelagote (KIADB) Industrial area , Old NH-4, Chitradurga-577501

Signed this \_\_\_\_ day of \_\_\_\_\_ 2015

(Signature )

(Affix Revenue Stamp of appropriate value)

NOTE: The Proxy form duly completed and signed should be deposited at the Registered Office of the Company, not later than 48 hours before the commencement of the Annual General Meeting.

|   |         |          |
|---|---------|----------|
| Even<br>(Electronic Voting Event Number)150730015 | User ID | Password |
|---|---------|----------|

Note : Please read the instructions printed along with the August 24 th Annual General Meeting. The Voting period starts from 9.00 a.m 21 August Friday 2015 and end at 5-00 p.m an Sunday 23 August 2015. The voting module shall be disabled by CDSL for voting thereafter.