

**SREE JAYALAKSHMI AUTOSPIN LIMITED**  
**Regd. Office “SANJANA” Davanagere Road, CHITRADURGA-577501**  
**CIN: L85110KA1991PLC011732**

Notice of the Twenty Seventh Annual General Meeting

Notice is hereby given that the Twenty Seventh Annual General Meeting of the Members of Sree Jayalakshmi Auto Spin Limited will be held on Monday, 10th September at 11.00 A.M. at the registered office of the company at Sanjana, Davanagere Road, Chitradurga-577501, Karnataka to transact the following businesses:

Ordinary Business

1. To receive, consider and adopt the Financial Statements of the Company for the year ended 31st March, 2018, including Audited Balance Sheet as at 31st March 2018, the statement of the Profit and 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. KV.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. VijayaPrabhakar (DIN No 01885541) who retires by rotation and offers himself for re-appointment.
5. To consider and if thought to fit pass with or without modification(s) the following resolution as a ORDINARY RESOLUTION RESOLVED THAT pursuant to the provisions of section 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.Mamani (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 1st April 2018 to 31st March 2023.
6. To consider and if thought to fit pass with or without modification(s) the following resolution as a ORDINARY RESOLUTION RESOLVED THAT pursuant to the provisions of section 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 1st April 2018 to 31st March 2023.
7. To consider and if thought to fit pass with or without modifications the following resolution as a ORDINARY RESOLUTION RESOLVED THAT pursuant to the provisions of section 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 1st April 2018 to 31st March 2023.

Date:10-8-2018

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 4-9-2018 to 10-9-2018. (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

.E-voting procedure;

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on Friday 7, September 2018 at 9.00 A.M. and ends on Sunday 9, September 2018 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 3-9-2018, 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.Now Enter your User ID
- For CDSL: 16 digits beneficiary ID,
  - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) 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.
- (vi) 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>

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) 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.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xi) 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.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) 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.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) 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.
- (xvii) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, and 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).

(xix) However, in case of members who have cast their votes through e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their votes again.

(xx) Mr. G. Shankar Prasad, practicing Company Secretary has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner. The scrutinizer shall not later than 2 (Two) days of conclusion of the meeting make a consolidated scrutinizers report (which includes remote e-voting and voting as may be permitted at the venue of the AGM by means of ballot paper/poll) of the total votes cast in favor or against, if any to the Chairman or a person authorized by him in writing who shall countersign the same and declare the results of the voting forthwith.

(xxi) The results declared along with the Scrutinizer's report shall be placed on the Company's website [www.sjlal.com](http://www.sjlal.com) and on the website of CDSL at [www.cdslindia.com](http://www.cdslindia.com) immediately after declaration of results of passing of the resolution at the Annual General Meeting of the Company and the same shall also be communicated to Bombay Stock Exchange Limited, where the shares of the Company are listed.

### Directors' Report

To,

The Members,

SreeJayalakshmi Auto Spin Limited.

Your Directors have pleasure in presenting their 27<sup>th</sup> Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2018.

1. Financial summary or highlights: The Company's financial performances for the year under review along with previous year's figures are given here under:

<b>Particulars</b>	<b>2017-2018 (Amount in Rs.)</b>	<b>2016-17 (Amount in Rs.)</b>
<b>Total Income</b>	4,030,7308.00	<b>68,621,147.00</b>
<b>Depreciation</b>	<b>2,91,963.00</b>	<b>457,171.00</b>
<b>Total Expenses</b>	3,96,34,816.00	<b>7,29,71,655</b>
<b>Profit/Loss</b>	3,80,529.00	<b>(4,807,679.00)</b>

2. Dividend: No Dividend is recommended for the current financial year due to low profit earned by the Company.

3. Reserves: Since the Company has earned very less profit 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 Ginning and Cotton Trading. Cotton is purchased from farmers from APMC yards. 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. Due to very less rains in our area cotton crop was very less, so we couldn't expand the ginning and pressing activity to increase the turnover of the Company. For the current season, rains are good till now we are hoping to increase the ginning and pressing activity for the current year.

5. Change in the nature of business, if any

No change in the nature of the business.

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:

Company has appointed Sumanath Anantharam & Co., Company Auditor of the Company from the conclusion of this Annual General Meeting to conclusion of next Annual General Meeting. Sri Shankar Prasad., Company Secretary looks into the statutory and secretarial audit works of the Company.

10. Share Capital: No shares were allotted during the period under review. As on 31<sup>st</sup> March 2018, 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 2018 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.

The Company has not increased its authorized or paid up share capital.

The Company has not bought back any of its securities during the year under review.

The Company has not issued any sweat equity shares during the year under review.

No bonus shares were issued during the year under review.

The Company has not provided any stock option scheme to the employees.

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 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 6 Board meetings during the financial year under review which is mentioned in the Corporate Governance Report. During the year, 6 (Six) Meetings of the Board of Directors were held respectively on 27-5-2017, 11-8-2017, 26-8-2017, 14-11-2017 and 22-1-2018, and 12-2-2018.

Board Committees; The following are the details of the Board Committees during the year 2017-18.

Audit Committee.

Nomination and remuneration Committee.

Share holders Grievance Committee.

Risk Management Committee.

17. Audit Committee: As on 31<sup>st</sup> March 2018 Audit Committee consists of three executive directors. The members of the Committee are Mr. Ram Murthy, V.K. Mamani and T. Chandrasekhar. The audit committee had met for six times in a financial year.

18. Whistle Blower policy: The company has adopted a Whistle Blower Policy and has established the mechanism in lieu with the requirements under the Companies Act 2013, Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 the whistle blower. No person has been denied access to the Audit committee. The committee looks into the complaints, and tracks matters to the closure as per the law.

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. Chandrasekhar. The Details of the Committee is disclosed in Corporate Governance Report.

20. Shareholder's Grievance Committee: Mr. Ram Murthy Independent and Non Executive director, is the chairman of the Shareholders' Grievance Committee. The roles and responsibilities of the Committee are given in detail in the corporate governance report.

21. Particulars of loans, guarantees or investments under section 186: The particulars of Loans, guarantees or investments made under Section 186 are not applicable.

22. 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 III and is attached to this report.

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

24. 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, Company Secretary in practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith as Annexure IV and Annexure VII with the report.

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

(i) The Company has since taken steps to have all the documents filed and will apply to the relevant authorities

for condonation/ composition of delays.

(ii) The company had made several attempts to appoint a Company Secretary in the past but to no avail. The Board will endeavor to take all such steps as to ensure compliance. The Company will take required steps soon

(iii) Company Secretary has suggested having different personnel for different key managerial position. Company being small and turnover is less, at present Company cannot afford too many managers. When the turnover improves, Company will appoint different persons for different Key Managerial positions.

25. Risk management policy: The Company has established an effective Compliance Mechanism to mitigate the risk and will be reviewed by the Board periodically. The risk Management Committee is governed under the Audit Committee. The Company has identified various risks and also has mitigation plans for each risk identified.

26. 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 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 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.

27. 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 were no such orders passed.

28. Management Discussion and Analysis report: Management Discussion and Analysis Report as required under Clause 49 is disclosed as Annexure V.

29. Corporate Governance Report: Corporate Governance report as required under Clause 49 is disclosed as Annexure VI

30. Listing Fees: The Company confirms that it has paid the annual listing fees for the year 2018-19 to the Bombay Stock exchange.

31. Criteria of Making Payments to Non Executive Director If the Same Has Not Been Disclosed In Annual Report: The Company is not making any Payment to Non-Executive Director of the Company.

32. Other particulars related to Directors: 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.

33. Prevention, Prohibition and Redressal of Sexual Harassment of women at Work Place:- The company has in place a policy on prevention, prohibition & redressal of sexual harassment of women at work place. No complaints are received during the year.

34. Policy On Dealing With Related Party Transactions: Company deals with related parties on market terms and conditions at market prices. No special consideration is given, they only do job works at ruling market prices.

35. Policy for Determining Material Subsidiaries: Company does not deal in any material subsidiaries.

36. Details If Familiarization On Programmes Imparted to Independent Directors Including The Following Details: No familiarization programs are conducted to Independent Directors. The Independent Directors are well aware of the Textiles Cotton Industries and financial and banking in general. They are also well versed in day to day market fluctuation in cotton and Textiles Markets.

37. The E-Mail Address for Grievance Redressal And Other Relevant Details. The Grievance redressal is headed by Independent Director Mr. Rama Murthy and share holders can complain directly to Rama Murthy through his e mail [skrama48@gmail.com](mailto:skrama48@gmail.com) or to [sjalcd@mail.com](mailto:sjalcd@mail.com) and to Integrated enterprises India Ltd No, 30 Ramana Residency, Ground Floor, 4th Cross Sampige road Malleshwaram, Bangalore-560003. E MAIL ID : [irg@intergratedindia.in](mailto:irg@intergratedindia.in).

38. No Fixed Agreements with Media Companies: There were no Fixed Agreements with Media Companies and no such meet was conducted.

39. No Meeting of Institutional Investors or Analysts Meet Conducted by The Company

40. The Company has a proper and adequate system of internal controls. This ensures that all transactions are authorized, recorded and reported correctly, and assets are safeguarded and protected against loss from unauthorized use or disposition. In addition there are operational controls and fraud risk controls, covering the entire spectrum of internal financial controls.

41. 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 acknowledge 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: 10-8-2018**

**Annexure I**  
**FORM NO. MGT 9**

**EXTRACT OF ANNUAL RETURN as on financial year ended on 31.03.2018**

**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	04/03/1991
Iii	Name of the Company	SreeJayalakshmi 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, Chitradurga –577501
Vi	Whether listed company	YES
Vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Integrated Registry Management services Pvt Ltd. NO-30, Ramana Residency, Gr Floor, 4th Cross, Sampige Road, Malleswaram, Bangalore-560003e mail id : irg@intergratedindia.in

**II PRINCIPAL BUSINESS ACTIVITY OF THE COMPANY**

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

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	80.39
2	Cotton Seeds	120720	19.61

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

No.	S.	Name And Address Of The Company	CIN/GLN	Holding/ Subsidiary /Associate	% of shares held	Applicable Section
1		NIL	NIL	NIL	NIL	NA

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

## Category wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year 1-4-2017				No. of Shares held at the end of the year 31-3-2018				% change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
<b>A. Promoters</b>										
(1) Indian	635932	-	635932	14.20	635932	-	635932	14.20		-
a) Individual/HUF	-	-	-	-	-	-	-	-		-
b) Central Govt.or State Govt.	-	-	-	-	-	-	-	-		-
c) Bodies Corporates	-	-	-	-	-	-	-	-		-
d) Bank/FI	-	-	-	-	-	-	-	-		-
e) Any other	-	-	-	-	-	-	-	-		-
<b>SUB TOTAL:(A) (1)</b>	<b>635932</b>	<b>-</b>	<b>635932</b>	<b>14.20</b>	<b>635932</b>	<b>-</b>	<b>635932</b>	<b>14.20</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 of Promoter (A)= (A)(1)+(A)(2)</b>	<b>635932</b>	<b>-</b>	<b>635932</b>	<b>14.20</b>	<b>635932</b>	<b>-</b>	<b>635932</b>	<b>14.20</b>		<b>-</b>
<b>B. PUBLIC SHAREHOLDING</b>										
<b>(1) Institutions</b>										
a) Mutual Funds	37500	1500	39000	0.87	37500	1500	39000	0.87		-
b) Banks/FI	-	400000	400000	8.93	-	400000	400000	8.93		-
c) Cenntalgovt	-	-	-	-	-	-	-	-		-
d) State Govt.	-	-	-	-	-	-	-	-		-
e) Venture Capital Fund	-	-	-	-	-	-	-	-		-
f) Insurance Companies	-	-	-	-	-	-	-	-		-
g) FIIS	-	-	-	-	-	-	-	-		-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-		-
i) Others (specify)	-	-	-	-	-	-	-	-		-
<b>SUB TOTAL (B)(1):</b>	<b>37500</b>	<b>401500</b>	<b>439000</b>	<b>9.80</b>	<b>37500</b>	<b>401500</b>	<b>439000</b>	<b>9.80</b>		<b>-</b>

<b>(2) Non Institutions</b>										
a) Bodies corporates										
i) Indian	279748	186200	465948	10.40	249548	186200	435748	9.73		-0.67
ii) Overseas	-	-	-	-	-	-	-	-		-
b) Individuals										
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	277241	7334451	1011692	22.59	351641	774651	1126292	25.15		2.56
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	215815	1421317	1637132	36.56	173015	1379617	1552632	34.67		-1.89
c) Others (specify)										
NRI	46500	240700	287200	6.41	46500	240700	287200	6.41		-
Clearing Member	396	-	396	0.01	396	-	396	0.01		-
Trust	900	-	900	0.02	900	-	900	0.02		-
<b>SUB TOTAL (B)(2):</b>	<b>820600</b>	<b>2582668</b>	<b>3403268</b>	<b>76.00</b>	<b>822000</b>	<b>2581168</b>	<b>3403168</b>	<b>76.00</b>		<b>0.00</b>
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>858100</b>	<b>2984168</b>	<b>3842268</b>	<b>85.80</b>	<b>859500</b>	<b>2982668</b>	<b>3842268</b>	<b>85.80</b>		<b>0.00</b>
C. Shares held by Custodian for GDRs & ADRs										
	-	-	-	-	-	-	-	-		-
<b>Grand Total (A+B+C)</b>	<b>1494032</b>	<b>2984168</b>	<b>4478200</b>	<b>100.00</b>	<b>1495532</b>	<b>2984168</b>	<b>4478200</b>	<b>100.00</b>		<b>0.00</b>

i) Shareholding of Promoters

Sl No.	Shareholders Name	Shareholding at the beginning of the year 01.04.2017			Shareholding at the end of the year 31.03.2018			% 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	-	636032	14.20	-	-
	Total	635932	14.20	-	636032	14.20	-	-

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

Sl. No.	Shareholders Name	Share holding at the beginning of the Year 01.04.2018		Date	Increase/Decrease in Share Holding	Reason	Cumulative Share holding during the year 31.03.2018		Reason
		No. of Shares	% of total shares of the company				No of shares	% of total shares of the company	
-	PrabhakarKV	635932	14.20	-	100	Brought -	636032	14.20	NIL



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

Slno	Name of The Share Holder	Shareholding At The Beginning Of The Year - 01.04.2017		Date	Increase/Decrease in Share Holding	Reason	Cumulative Shareholding During The Year - 31.03.2018	
		No. of Shares	% of Total Shares of the Company				No Of Shares	% of Total Shares of the Company
1	VijayaPrabhakar	652762	14.58	01.04.2017	No movement during the year			
				31.03.2018			652762	14.58
2	SanjanaPrabhakar	310900	6.94	01.04.2017	No movement during the year			
				31.03.2018			310900	6.94
3	Indian Bank	200000	4.47	01.04.2017	No movement during the year			
				31.03.2018			200000	4.47
4	AnushaPrabhakar	112155	2.50	01.04.2017	No movement during the year			
				31.03.2018			112155	2.50
5	Bal Pharma Limited	73600	1.64	01.04.2017	No movement during the year			
				31.03.2018			73600	1.64
6	VimalKhandwala	110300	2.46	01.04.2017	No movement during the year			
				31.03.2018			110300	2.46
7	Karnataka State Financial Corporation	100000	2.23	01.04.2017	No movement during the year			
				31.03.2018			100000	2.23
8	Karnataka State Industrial I. D.C.	100000	2.23	01.04.2017	No movement during the year R			
				31.03.2018			100000	2.23
9	GFC Securities and Finance Ltd	90386	2.02	01.04.2017	No movements during the year			
				31.03.2018			90386	2.08
10	M D Finance & Investment Co Pvt Ltd	93300	2.08	01.04.2017	No movement during the year			
				31.03.2018			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	-	636032	14.20		
2.	U. VIJAYA PRABHAKAR	652762	14.58	-	652762	14.58		
3.	VISHWANATH K. MAMANI	2500	0.00	-	2500	0.00		

Percentage of Share Held in Physical and Electronic from as on 31.3.2018

SL No	Particulars	No of Share holders	No of Shares	%
1	Physical Shares	901	2982668	66.60
2	Electronic Shares	377	1495532	33.40
	Total	1278	4478200	100.00

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	9,031,993	2,12,18,756	Nil	30,250,749
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>	9,031,933	2,12,18,756	Nil	30,250,749
Change in Indebtedness during the financial year	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebt edness
* Addition	NIL	97,33,087	Nil	97,33,087
* Reduction	9,031,933		Nil	9,031,933
<b>Net Change</b>			Nil	
Indebtedness at the end of the financial year	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtness
i) Principal Amount		3,09,51,843	Nil	3,09,51,843
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>		3,09,51,843	Nil	3,09,51,843

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

<b>Sl. no.</b>	<b>Particulars of Remuneration</b>	<b>Name of MD/WTD/ Manager</b>	<b>Total Amount</b>
		<b>K.V. Prabhakar</b>	
1	Gross salary (P.A.)	30,000	30,000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	NIL	NIL
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	NIL
2	Stock Option	NIL	NIL
3	Sweat Equity	NIL	NIL
4	Commission	NIL	NIL
	- as % of profit	NIL	NIL
	- others, specify	NIL	NIL
5	Others, please specify	NIL	NIL
	Total (A)	30,000	30,000
	Ceiling as per Act	30,00,000	30,00,000

A. 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.				

**A. 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	Nil	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil	Nil
<b>B. DIRECTORS</b>						
Penalty	Nil	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil	Nil
<b>C. OTHER OFFICERS IN DEFAULT</b>						
Penalty	Nil	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil	Nil

### DETAILS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO(A) CONSERVATION OF ENERGY:

(i)	the steps taken or impact on conservation of energy	NIL
(ii)	the steps taken by the company for utilizing alternate sources of energy	NIL
(iii)	the capital investment on energy conservation equipments	NIL

### (B) TECHNOLOGY ABSORPTION:

(i)	the efforts made towards technology absorption	NIL
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	NIL
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	NIL
	(a) the details of technology imported	NIL
	(b) the year of import;	NIL
	(c) whether the technology been fully absorbed	NIL
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	NIL
(iv)	the expenditure incurred on Research and Development	NIL

### (C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

Foreign Exchange Earnings: NIL Foreign Exchange Outgo: NIL

Date: 10.08.2018  
Place: Chitradurga

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

**Annexure III**  
**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: NIL**

**2. Details of contracts or arrangements or transactions at arm's length basis:**

1. (a) Name(s) of the related party and nature of relationship: NIL

(b) Nature of contracts/arrangements/transactions: **nil** (c) Duration of the contracts / arrangements/transactions: (d) Salient terms of the contracts or arrangements or transactions including the value, if any: .(e) Justification for entering into such contracts or arrangements or transactions:

Ongoing.2. (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**

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

**Date: 10.08.2018**

**Place: Chitradurga**

**Annexure IV**

**G.SHANKER PRASAD ACS, ACMA**  
**PRACTISING COMPANY SECRETARY**

**#10, AG's Colony, Anandnagar, Bangalore – 560 024, Tel: 080 42146796**

**Email: gsp@graplind.com**

**SECRETARIAL AUDIT REPORT**

***FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH 2018***

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

To,  
The Members,  
SreeJayalakshmi 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 SreeJayalakshmi 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 2018 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 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

- d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations 2015.

During the period under review, the Company has complied with the provisions of the applicable Act, Rules, Regulations, Guidelines, etc. mentioned above subject to my observation in Annexure A.

I further report that on examination of the relevant documents and records on test-check basis and having regard to the company's compliance system and its operations, the Company has complied to the extent applicable with the following laws specifically applicable to the Company:

1. Industrial Disputes Act, 1947
2. The Payment of Wages Act, 1936
3. The Employees' Provident Fund and Miscellaneous Provision Act, 1952
4. The Minimum Wages Act, 1948
5. The Payment of Bonus Act, 1965
6. The Payment of Gratuity Act, 1972
7. The Industrial Employment (Standing Order) Act, 1946
8. The Employees' Compensation Act, 1923
9. The Equal Remuneration Act, 1976
10. The Environment (Protection) Act, 1986
11. The Water (Prevention & Control of Pollution) Act, 1974
12. The Air (Prevention & Control of Pollution) Act, 1981

Since the compliances with the applicable financial laws, like direct and indirect tax laws have been subject to review by statutory financial audit and other designated professionals I have examined on a test check basis the relevant documents and records of the Company. I have also examined compliance with the applicable clauses of the Secretarial Standards 1 and 2 issued by The Institute of Company Secretaries of India. 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/ Committee 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. The decisions at the Board and the Committee meetings were taken unanimously/ requisite majority and the related discussions were duly recorded in the minutes. 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:** 10.08.2018

**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 Band forms an integral part of this report.

#### **ANNEXURE A**

1. The Company has not filed /not filed within the prescribed time all forms required to be filed with the Registrar (Ministry of Corporate Affairs (MCA).
2. The Company has not appointed a Company Secretary pursuant to section 203 of the Companies Act, 2013.
3. The Company has been advised to have different individuals for the different Key Managerial Positions.

## ANNEXURE B

To,  
TheMembers  
SreeJayalakshmi Auto Spin Limited,  
Chitradurga

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

1. The maintenance of secretarial records is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I 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. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the company.
4. Wherever required, I 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. My 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:** 10-8-2018

**G. Shanker Prasad**  
**ACS No.:** 6357  
**CP No:** 6450

### Annexure V

#### **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. During current cotton season 2017-18 (Oct 17 to Sept 18), the acreage under cotton cultivation is normal (i.e. 36% of world area under cotton) and estimated production is 360 lakh bales (26% of world production). In terms of area under cotton and production, India is the largest cotton producer in the world, however, it lags behind in productivity. At present the average yield of cotton in the country is about 568 kg/hectare which is far below the world average of 776 kg/ha and other cotton producing countries like Australia (1800 kg/ha), China (1600 kg/ha), Brazil 1500 kg/ha) etc. The general fluctuations in cotton prices during the season are mainly influenced by off-take of yarn, international price trends, and demand from major importing countries viz china and other Asian countries, settlement on future markets, unsold stock at domestic and international level, trade restrictions etc. Thus looking to the demand and supply position world- wide, it is expected that the prices of cotton may not go down drastically rather it may remain at moderate levels. The main productivity constraints in cotton cultivation are undependable monsoon, unsuitable soil, varietal multiplicity, use of non-certified seeds, improper spacing, non-descript varieties, inability to take-up timely sowing, non-adoption of recommended technologies especially in case of plant protection and fertilizer use, labour shortage, competition from other crops, endemic to pests etc. The following is the Balance sheet of cotton bales for 7 months that is from 1-10-2017 to 31-5-2018. Opening stock as on 1-10-2017 is 30 lakh bales, arrivals up to 31-5-2018 is 340 lakh bales, import up to 31-5-2018 is 8.50 lakh bales. Total available is 378.50 lakh bales. Consumption for 8 months is 216 lakh bales, export shipment up to 31-5-2018 is 62 lakh bales, stock with mills is 58 lakh bales, stock with cei, mnc companies, mex and ginners is 42.50 lakh bales and Total is 378.50 lakh bales. The domestic cotton scenario may not change much and cotton prices should stay strong due to the increase in MSP price by 25% from last year to coming cotton season and strong upward market in other countries.

**OPPORTUNITIES, THREATS, RISKS AND CONCERNS;** The continuing threat to the growth of textile industry is irregular supply of power and availability of labor. Power and labor are two major factors that affect production. Though the supply of quality power is in question through power companies, and unscheduled power cuts are on the higher side, addition to that the Karnataka electricity regulatory commission has recently hiked power



tariff by 10 percent per unit for industrial consumers. 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: 10.08.2018**

**Place: Chitradurga**

**Annexure VI**  
**REPORT ON CORPORATE GOVERNANCE**

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

M/s. SreeJayalakshmi 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. Vijayprabhakar is a non-executive Director. The Composition of the Board is in conformity with the Listing Agreement. **Board Meetings;** During the year, 6 (Six) Meetings of the Board of Directors were held respectively on 27-5-2017, 11-8-2017, 26-8-2017, 14-11-2017, 22-1-2018 and 12-02-2018.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:

<b>Names of the directors</b>	<b>Category/ Position</b>	<b>Last Annual General Meeting Attended</b>	<b>No. Of board meetings attended out of 6 held during the year</b>	<b>No Of The Directorship Held In The Other Companies</b>	<b>Committee Positions Held In The Other Companies</b>
K.V.Prabhakar	CMD	Yes	6	4	Nil
Smt.U.Vijaya prabhakar	Director	Yes	6	1	Nil
Sri.Vishwanathk.Mamani	Director	Yes	3	0	Nil
Sri Ramamurthy	Director	Yes	6	0	Nil
Sri T.Chandrashekar	Director	Yes	6	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 27.05.2017,11.8.2017, 26.08.2017, 14.11.2017 and on 22.01.2108, 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 is regularly placed before the Committee. There were no complaints from the shareholders 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>
24.08.2015	80/81, Kelagote (KIADB) Industrial Area, Old NH-4 Chitradurga-577501	11.00.A.M.
26.09.2016	Regd. Office, sanjana, Davangere Road, Chitradurga-577501	11.00.A.M.
26.09.2017	Regd. Office, Sanjana, Davanagere Road, Chitradurga-577501	11.00.A.M.

No Special Resolution was passed through Postal Ballot during the financial year 2017-2018. 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 were no significant transactions 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.The Company has adopted whistle Blower Policy under which the employees are free to report the violations of applicable law and regulations. It is affirmed that no personnel as been denied access to the Audit Committee.

**ACCOUNTING TREATMENT IN PREPARATION OF FINANCIAL STATEMENTS;**

**The guidance/accounting standards laid down by the Institute of Chartered Accountants of India (ICAI) and prescribed under Section 133 of the Companies Act, 2013, have been followed in preparation of the financial statements of the Company.**

**Company adheres to the compliance of prohibition of insider trading regulations and also compliance of SEBI regulations. Company has well place Audit committee and all accounting disclosures are made to Audit committee for discussion and guidance to the Board.**

## 6. GENERAL SHAREHOLDERS' INFORMATION

### a. 27<sup>th</sup> Annual General Meeting

Date : 10th September, 2018  
Day : Monday  
Time : 11.00 a.m.  
Venue : "Sanjana", Davangere Road, Chitradurga-577501

b. Financial Year : 2017 - 2018

c. Date of Book Closure : 04.09.2018 to 10.09.2018  
(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 Registry Management Services Pvt Ltd.

No 30, Ramanaresidency, Ground Floor,

4 Th Cross, Sampigi Road,

Malleshwaram, Bangalore-560003

g. Distribution of Shareholding as on March 31, 2018

<b>Shareholding pattern as on 31.03.2018</b>		
<b>Category</b>	<b>No of Shares</b>	<b>% of Equity</b>
Indian Promoters	6,36,032	14.20
Clearing Members	396	0.01
Mutual Fund/UTI	39,000	0.87
Banks/Financial Institutions, Insurance companies.(central/state govt)	400,000	8.93
Private Corporate Bodies	435,748	9.73
NRI/OCB/FFI	287,200	6.41
Indian Public	2,678,924	59.82
Trust	900	0.02
<b>TOTAL</b>	<b>4,478,200</b>	<b>100</b>

### 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.

### 7. MEANS OF COMMUNICATION

The Quarterly Results (Provisional) of the Company are published in English newspaper and in the vernacular newspaper.

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 31.03.2018

For SreeJayalakshmi Auto Spin Limited

K. V. Prabhakar

DIN:-01716813

#### **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.

#### **Annexure VII**

Board's explanation to the observation made in Secretarial Audit Report;

1. The Company has since taken steps to have all the documents filed and applied to the relevant authorities for condonation/composition of delays.
2. The Company has made several attempts to appoint a Company Secretary in the past but to no avail. The present financial position of the Company is precarious but the Board will endeavor to take all such steps as to ensure compliance.
3. The Company will take required steps soon.

#### **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 2018, 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 thereunder. 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.

#### **Opinion**

6. In our opinion and to the best of our information and according to the explanations given to us, 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 2018.
  - (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

#### **Report on Other Legal and Regulatory Requirements**

7. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order
8. 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 specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) With respect to adequacy of internal financial controls over financial reporting of the company and operative effectiveness of the controls refer to our separate report in "Annexure B"
  - (f) On the basis of written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (g) 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.

Date: 26/05/2018  
Place: Chitradurga

For, Sumanth Anantharam & Co.,  
Chartered Accountants  
Firm Registration No. 016140s  
Sumanth A  
Proprietor.  
Member Ship No. 237227

#### **Annexure A 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 Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.
  - c. As per the information and explanation given us and from the books of accounts and other documents produced for our verification, the title deeds of immovable properties, as disclosed in the financial statements, are held in the name of the company.

- ii.
  - a. The management has conducted the physical verification of inventory at reasonable intervals.
  - b. The discrepancies noticed on physical verification of the inventory as compared to books records which has been properly dealt with in the books of account 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 Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.
- iv. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.
- v. Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- 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
  - 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
  - b. and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.
- vii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks
- viii. In our opinion and according to the information and explanations given to us, the Company has not raised any money from public, during the period, this clause is not applicable.
- ix. 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.
- x. The company has paid managerial remuneration during the year in accordance with the provisions of section 197 read with schedule v to the company's act 2013.
- xi. The company is not a Nidhi company hence this clause is not applicable.
- xii. According to information and explanation given to us The transactions with the related parties are in compliance with the provisions of the section 177 and 188 of the wherever applicable the same has been disclosed in the financial statements
- xiii. The company has not made any preferential allotment of shares or fully or partly convertible debentures hence this clause is not applicable.
- xiv. In our opinion and information and explanation given to us and based on the examination of records of the company, the company has not entered in to non cash transactions with directors or persons connected to them.
- xv. The Company not is required to be registered under the 45 IA of the RBI act of 1934, and has not obtained the registration.

Date:26/05/2018  
Place: Chitradurga

For, Sumanth Anantharam & Co.,  
Chartered Accountants  
Firm Registration No.016140s  
Sumanth A  
Proprietor.  
Member Ship No.237227

**“Annexure B” to The Auditors' Report Referred to in Paragraph 5 of Our Report of Even Date**

Report on the Internal Financial Controls under Clause (i) of Sub-Section 3 of Section 143 of the Companies, Act, 2013 (“the Act”) We have audited the internal financial controls over financial reporting of **Sree Jayalaxmi Auto spin Limited. (“the Company”)** as of 31st March 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls

based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over financial Reporting issued by the Institute of Chartered Accountants of India.

Date:26/05/2018  
Place: Chitradurga

For, Sumanth Anantharam & Co.,  
Chartered Accountants  
Firm Registration No.016140s  
Sumanth A  
Proprietor.  
Member Ship No.237227

## AUDITORS CERTIFICATE

To,  
**The Board of Directors,**  
**SreeJayalakshmiAutospin 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, 2018. 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 26-05-2018 to the members of the company.

Date: 26/05/2018  
Place: Chitradurga

For, Sumanth Anantharam & Co.,  
Chartered Accountants  
Firm Registration No. 016140s  
Sumanth A  
Proprietor.  
Member Ship No. 237227

### AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

Auditor's certificate to the members of **Sri JayalakshmiAutospin Ltd.**, on compliance of the condition of corporate governance for the year ended 31<sup>st</sup> March, 2018 under clause 49 of agreement with the stock exchange.

We have examined the compliance of the conditions of corporate governance by **Sri JayalakshmiAutospin Ltd.**, for the year ended 31<sup>st</sup> March, 2018 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, 2018 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, 2018 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.

Date: 26/05/2018  
Place: Chitradurga

For, Sumanth Anantharam & Co.,  
Chartered Accountants  
Firm Registration No. 016140s  
Sumanth A  
Proprietor.  
Member Ship No. 237227



**M/s Sree Jayalakshmi AutoSpin Limited**  
Registered Office: "Sanjana" Davangere Road, Chitradurga-577501  
Karnataka Telephone (08194) 223040  
**BALANCE SHEET FOR THE YEAR ENDED 31st MARCH 2018**

PARTICULARS	NOTS	AS ON 31.03.2018 Amount In r	AS ON 31.03.2017 Amount In rs.
<b>I EQUITY &amp; LIABILITY</b>			
<b>SHARE HOLDERS FUNDS</b>			
(A) Share Capital	2	4,47,82,000.00	44,782,000.00
(B) Reserves and Surplus	3	(5,63,91,687.00)	(56,772,216.00)
<b>Sub Total of Share Holders Funds</b>		<b>(1,16,09,687.00)</b>	<b>(1,19,90,216.00)</b>
<b>NON CURRENT LIABILITIES</b>			
a) Long Term Borrowings	4	3,09,51,843.00	21,218,756.00
<b>Sub Total of Non-Current Liabilities</b>		<b>3,03,51,843.00</b>	<b>21,218,756.00</b>
<b>CURRENT LIABILITIES</b>			
a) Short Term Borrowings	5	-	9,031,993.00
b) Trade Payables	6	1,28,23,258.00	12,709,348.00
c) Other Current Liabilities	7	10,00,000.00	2,861,795.00
d) Short Term Provisions	8	5,40,762.00	1,082,934.00
<b>Sub Total of Current Liabilities</b>		<b>1,43,64,020.00</b>	<b>25,686,070.00</b>
<b>TOTAL-EQUITY &amp; LIABILITIES</b>			
		<b>3,37,06,176.00</b>	<b>34,914,610.00</b>
<b>II ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
a) Fixed Assets			
<b>i. Tangible Assets</b>	9	38,92,307.00	4,184,271.00
b) Non-Current Investment	10	49000.00	48,000.00
c) Long Term Loans & Advances	11	13,16,947.00	1,316,947.00
<b>Sub Total of Non-Current Assets</b>		<b>52,58,254.00</b>	<b>5,549,218.00</b>
<b>CURRENT ASSETS</b>			
a) Inventories	12	80,52,471.00	8,193,676.00
b) Trade Receivables	13	1,67,98,838.00	13,909,979.00
c) Cash & Cash Equivalents	14	5,47,739.00	1,565,483.00
d) Short Term Loans & Advances	15	30,48,873.00	5,696,253.00
<b>Sub Total of Current Assets</b>		<b>2,84,96,921.00</b>	<b>29,365,391.00</b>
<b>TOTAL-ASSETS</b>			
		<b>3,37,06,175.00</b>	<b>34,914,609.00</b>

The accompanying notes are an integral part of this financial Statement .

This is the Balance Sheet referred to our in report of even date.

For SREE JAYALAKSHMI AUTO SPIN LTD.,

**K.V.Prabhakar**

Chairman

DIN NO:01716813

**T.Chandrashekar**

Director

DIN NO: 03125409

Read with our Report

For Sumanth Ananthram & Co.,

Firm Registration No. 016140s

Chartered Accountants

(Sumanth.A)

Proprietor.

Membership No.0237227

Place: Chitradurga

Date:26.05.2018

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2018**

PARTICULARS	NOTS	AS ON 31.03.2018 Amount In rs	AS ON 31.03.2017 Amount In rs.
<b>REVENUE</b>			
Sales	16	3,80,33,371.00	6,54,16,674.00
Other Income	17	22,73,937.00	3,204,473.00
<b>Total Revenue</b>		<b>4,03,07,308.00</b>	<b>6,86,21,147.00</b>
<b>EXPENDITURE</b>			
Cost of Material consumed	18	3,18,35,948.00	6,31,02,104.00
Change In Inventories of Finished Goods	19	15,19,177.00	32,86,067.00
Employee Benefit Expenses	20	2,82,478.00	5,12,853.00
Financial Expenses	21	3,27,668.00	10,24,167.00
Depreciation	9	2,91,963.00	4,57,171.00
Other Expenses	22	56,69,546.00	50,46,464.00.00
<b>Total Expenses</b>		<b>3,99,26,779.00</b>	<b>7,34,28,826.00</b>
<b>PROFIT/(LOSS) FOR THE YEAR BEFORE TAX</b>		<b>3,80,529.00</b>	<b>(4,807,679.00)</b>
Exceptional Item Profit form Discontinuing Operations (before Tax)			
Gain on Disposal of Assets Attributable to the dis-continuing Operation			447,039.00
<b>Profit/ (Loss) from Discontinuing Operations</b>		3,80,529.00	(43,60,640.00)
<b>Provision for Taxation</b>			
<b>PROFIT AFTER TAX</b>		<b>3,80,529.00</b>	<b>(4,360,640.00)</b>
Prior Year Adjustments			
<b>Balance Carried to Balance Sheet</b>		<b>3,80,529.00</b>	<b>(4,360,640.00)</b>

*Paid Up Equity Shares Capital (Face Value Rs 10/- Per Share)*

*Reserves & Surplus Excluding*

*Revaluation Reserve Earning per Equity Shares (for continuing operation)*

*Basic Earnings Per Share of Rs.10 each (In Rupees)*

0.08                      -0.10

*Diluted Earning Per Share of Rs.10 each (In Rupees)*

0.08                      -0.10

*The accompanying notes are an integral part of these financial Statement. This is the Balance Sheet referred to our in report of even date.*

*For SREE JAYALAKSHMI AUTO SPIN LTD.,*

*K.V.Prabhakar*

*Chairman*

*DIN NO:01716813*

*T.Chandrashekhar*

*Director*

*DIN NO: 03125409*

*Read with our Report  
For Sumanth Ananthram & Co.,  
Firm Registration No. 016140s  
Chartered Accountants*

*(Sumanth.A)*

*Proprietor.*

*Membership No. 0237227*

*Place: Chitradurga*

*Date: 26.05.2018*

**M/s.SREE JAYALAKSHMI AUTOSPIN LIMITED**  
**Registered Office: "Sanjana" Davangere Road, Chitradurga-577501 Karnataka**  
**Telephone (08194) 234446/223040, Fax: (08194) 234193**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2018**

P A R T I C U L A R S	2017-18 Amount In Rs		2016-17 Amount In Rs	
<b>I. CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>Net Profit before Tax &amp; Extraordinary items</b>		<b>3,80,529</b>		<b>(43,60,640)</b>
Add: Non Cash Expenditure- Depreciation	2,91,963		4,57,171	
Less: Non Operating Income -Sale of assets	-		(4,47,039)	
Add: Interest Paid On Loans	3,27,668		10,24,167	
Less: Dividend Received			(2,500)	
Less: Interest Received	(4,61,437)	1,58,194	-	10,31,799
<b>Cash Flow Before changes in Working Capital</b>		<b>5,38,723</b>		<b>(33,28,841)</b>
Adjustment for:				
<b>Add: Decrease in Current Assets</b>				
Decrease in Inventories	1,41,205		42,14,156	
<b>Add: Increase In Current Liabilities</b>				
Increase in Trade Payable	1,13,911		(37,22,351)	
<b>Less: Increase in Current Assets</b>				
Changes in Trade Receivables	(28,88,859)		46,50,044	
<b>Less: Decrease In Current Liabilities</b>				
Decrease in Current Liabilities	(18,61,795)		(74,792)	
Decrease in Short Term Provisions	(5,42,172)	(50,37,710)	(1,80,199)	48,86,858
<b>Cash Generated from Operations</b>		<b>(44,98,987)</b>		<b>15,58,017</b>
<b>II. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Interest Received	4,61,437			
Changes in Short term Investments	(1,000)			
Changes in Short Term Loans	26,47,380			
Decrease in Short Term Borrowings	(90,31,993)		22,50,502	
Changes in Short Term Loans & Advances			(25,20,098)	
Prior Period Adjustment	-		-	
Sale of Fixed Asset			11,14,836	
Dividend Received			2,500	
<b>Net Cash used in Investing Activities (B)</b>		<b>(59,24,176)</b>		<b>8,47,740</b>
<b>III. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Changes in Long Term Loans and advances	97,33,087		(4,387)	
Interest on Loans	(3,27,668)		(10,24,167)	
<b>Net Cash Flow from Financing Activities (C)</b>		<b>94,05,419</b>		<b>(10,28,554)</b>
<b>Net Increase or Decrease in Cash and Cash Equivalents (A+B+C)</b>		<b>(10,17,744)</b>		<b>13,77,203</b>
Cash and Cash Equivalents at 1-4-2017		15,65,483		1,88,280
<b>Cash and Cash Equivalents at 31-3-2018</b>		<b>5,47,740</b>		<b>15,65,483</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.Chandrashekar**  
Director

**Place: Chitradurga**  
**Date: 26/05/2018**

**For Sumanth Anantharam & Co.,**  
Firm Registration No. 016140s  
Chartered Accountants

**(Sumanth A)**  
Proprietor.  
Membership No.0237227

## 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 capitalized.  
 b) Depreciation on all assets is being provided on straight line method at rates specified in Schedule II to the Companies Act 2013  
 c) 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 is valued at cost or net realizable value whichever is lower.

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

1.6 Due to uncertainty, Income on account of Insurance claims is 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.

### M/s. SREE JAYALAKSHMI AUTOSPIN LIMITED

#### Notes to the Accounts

PARTICULARS	AS ON 31.03.2018 Amount In r	AS ON 31.03.2017 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>Total</b>	<b>44,782,000.00</b>	<b>44,782,000.00</b>
<b>Reconciliation of the number of Shares</b>	<b>31.3.2018</b>	<b>31.3.2017</b>
Balance at the beginning of the period	44,78,200.00	44,78,200.00
Issued during the year	-	-
Bought back during the year	-	-
Balance at the end of the year	44,78,200.00	44,78,200.00
Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company		

Name of Shareholder		As at March 31,2018		As at March 31, 2018	
No of Shares held	% of Holding	No of Shares held	% of Holding		
Sri K V Prabhakar		636032		14.20	
Smt U VijayaPrabhaka		652762		14.58	
SmtSanjanaPrabhakar		310900		6.94	
<b>3. RESERVES &amp; SURPLUS</b>					
a. <b>Capital Reserve</b> ; Balance at the beginning of the year					
		316,000.00		316,000.00	
Addition(Deletion ) during the year					
		-		-	
		316,000.00		316,000.00	
Balance at the end of the period					
b. <b>Profit and loss Account</b>					
Balance at the beginning of the year					
		(5,70,88,216.00)		(52,727,576.00)	
: Additional Depreciation due to transitional Provisions					
				(4,360,640.00)	
Add; Profit(loss for the year)					
		3,80,528.00			
<b>Balance at the end of the period</b>					
<b>Total Reserves and Surplus</b>					
		<b>(5,67,07,687.00)</b>		<b>(57,088,216.00)</b>	
		<b>(5,63,91,687.00)</b>		<b>(56,772,216.00)</b>	
<b>NON CURRENT LIABILITIES</b>					
<b>4. LONG-TERM BOROWINGS</b>					
<b>Secured</b>					
<b>A. Loans From Banks</b>					
Vehicle Loan					
<b>B. Unsecured</b>					
Loan From Related parties					
		3,09,51,843.00		21,218,756.00	
<b>TOTAL</b>					
		<b>3,09,51,843.00</b>		<b>21,218,756.00</b>	
a.) Loan from related parties are taken from Directors and does not carry any interest.					

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

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

**Notes to the Accounts**

PARTICULARS	AS ON 31.03.2018 Amount In r	AS ON 31.03.2017 Amount In r
<b>CURRENT LIABILITIES</b>		
<b>5. SHORT-TERMBORROWINGS</b>		
<b>Secured-from Banks</b>		
Working Capital Loan		90,31,993.00
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>90,31,993.00</b>
<b>6. TRADE PAYABLE</b>		
a) Due to Micro Medium and Small Enterprises*		-
b) Sundry Creditors for supplies and others	1,01,61,023.00	97,76,920.00
c) Due to Related Parties	26,62,235.00	29,32,428.00
<b>Total</b>	<b>1,28,23,258.00</b>	<b>1,27,09,348.00</b>
<b>7. OTHER CURRENT LIABILITIES</b>		
Advance from customers	-	18,61,795.00
Current maturities of long term borrowings*	10,00,000.00	10,00,000.00
Sales tax payable		
<b>Total</b>	<b>10,00,000.00</b>	<b>2,861,795.00</b>
* refer the note in 4(a)		
<b>8. SHORT TERM PROVISIONS</b>		
A. Provision for Employee Benefits	14,736.00	4,892.00
B. Others	5,26,026.00	1,078,042.00
<b>Total</b>	<b>5,40,762.00</b>	<b>1,082,934.00</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 100 face value Rs 100		
Each equity shares in Merchant Co-Op bank	10,000.00	10,000.00
Unquoted & Fully paid up 55 face value Rs 100	5,000.00	5,000.00
Each equity shares in Veerashaiva Co-Op bank		
Fixed Deposit in Corporation Bank	1,000.00	-
<b>Total</b>	<b>49,000.00</b>	<b>48000.00</b>

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

**Notes to the Accounts**

PARTICULARS	AS ON 31.03.2018 Amount In rs.	AS ON 31.03.2017 Amount In r
<b>NON CURRENT ASSETS</b>		
<b>11. LONG-TERM LOANS AND ADVANCES</b>		
(Unsecured, considered good)		
Security Deposits	13,16,947.00	1,316,947.00
<b>Total</b>	<b>13,16,947.00</b>	<b>1,316,947.00</b>
<b>CURRENT ASSETS</b>		
<b>12. INVENTORIES</b>		
(As per Inventory taken, valued and certified by the management)		
Raw Materials	75,85,029.00	6,207,057.00
Work in Process		-
Finished Goods	1,17,442.00	1,636,619.00
Stores and Consumables	3,50,000.00	350,000.00
<b>Total</b>	<b>80,52,471.00</b>	<b>8,193, 676.00</b>
<b>13. TRADE RECEIVABLES</b>		
<b>Secured</b>		-
<b>Unsecured</b>		
(Unsecured considered good)		
a) Over six months *	-	7,948,166.00
b) Others	1,67,98,838.00	5,961,813.00
<b>Total</b>	<b>1,67,98,838.00</b>	<b>13,909,979.00</b>

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

**Notes to the Accounts**

PARTICULARS	AS ON 31.03.2018 Amount In r	AS ON 31.03.2017 Amount In r
<b>14. CASH AND BANK BALANCES</b>		
<b>Cash &amp; Cash Equivalent</b>		
a) Cash in hand	87,671.00	123,306.00
b) Balance with Schedule Banks in current Accounts	4,60,068.00	1,442,177.00
<b>Total</b>	<b>5,47,739.00</b>	<b>1,565,483.00</b>
<b>15. SHORT TERM LOANS AND ADVANCES</b>		
(Advances recoverable in cash or in kind or for value to be received)		
a) Unsecured & Considered good	20,88,531.00	4,791,557.00
b) Balance with revenue authorities	9,37,040.00	897,753.00
<b>Others</b>		
a) Staff advance	23,302.00	6,943.00
<b>Total</b>	<b>30,48,873.00</b>	<b>5,696,253.00</b>

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

<b>PARTICULARS</b>	<b>AS ON 31.03.2018 Amount In r</b>	<b>AS ON 31.03.2017 Amount In rs.</b>
<b>16. REVENUE FROM OPERATION</b>		
From Sale of :		
Cotton Lint	3,05,72,795.00	50,587,501.00
Cotton Seeds	74,60,576.00	13,921,545.00
Kappas	-	907,628.00
Cotton waste	-	-
Less: Quality allowance	<b>3,80,33,371.00</b>	<b>65,416,674.00</b>
<b>Total</b>	<b>3,80,33,371.00</b>	<b>65,416,674.00</b>
<b>17. OTHER INCOMES</b>		
<b>Interest Income</b>	4,61,437.00	-
Other Income	18,12,500.00	3,201,972.00
Dividend	-	2,500.00
<b>Total</b>	<b>22,73,937.00</b>	<b>3,204,473.00</b>
<b>18. COST OF MATERIAL CONSUMED</b>		
Opening Stock	62,07,057.00	7,135,146.00
Opening Stock in process	-	-
Purchases	3,32,13,920.00	62,174,015.00
<b>TOTAL</b>	<b>3,94,20,977.00</b>	<b>69,309,161.00</b>
Less : a) closing stock of raw materials	75,85,029.00	6,207,057.00
b) closing stock of WIP	-	-
<b>Total Raw Materials Consumed</b>	<b>3,18,35,948.00</b>	<b>63,102,104.00</b>
<b>19. CHANGES IN INVENTORIES OF FINISED GOODS WORK-IN-PROGRESS AND STOCK-IN-TRADE</b>		
<b>Increase/Decrease in finished goods:</b>		
Add: Opening stock of finished goods	16,32,619.00	4,922,686.00
Less: Closing Stock of Finished Goods	1,17,442.00	1,636,619.00
<b>Total</b>	<b>15,19,177.00</b>	<b>3,286,067.00</b>
<b>20. EMPLOYEE BENEFITS EXPENSES</b>		
a) Salaries and Wages	1,90,806.00	413,355.00
b) Contribution to PF & ESI & Other Fund	32,317.00	26,858.00
c) Staff & Labour Welfare	59,355.00	72,640.00
<b>Total</b>	<b>2,82,478.00</b>	<b>512,853.00</b>



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

PARTICULARS	AS ON 31.03.2018 Amount In r	AS ON 31.03.2017 Amount In r
<b>21. FINANCE COST</b>		
Interest on OD A/c	2,72,561.00	871,550.00
Interest on Vehicle Loan A/c		-
Bank Charges & Others	55,106.00	152,617.00
<b>Total</b>	<b>3,27,667.00</b>	<b>1,024,167.00</b>
<b>22. OTHER EXPENSES</b>		
Insurance	43,837.00	51,880.00
Communication expenses	46,709.00	61,745.00
<b>Travelling &amp; Conveyance:-</b>		
Directors		
Others	13,636.00	31,044.00
Vehicle Maintenance	5,195.00	33,233.00
Printing & Stationery	1,24,603.00	95,796.00
Legal & Professional Charges	4,17,383.00	119,478.00
Payment to Auditors		
Audit Fees Rs.		
Tax Audit Fees Rs.		
Out of Pocket Expenses Rs.		84,490.00
Charity	14,101.00	-
Miscellaneous Expenses	27,53,368.00	762,420.00
Commission and Brokerage	12,07,193.00	719,977.00
Freight Outward	9,60,197.00	429,787.00
Charity	83,324.00	9,253.00
<b>Total</b>	<b>56,69,546.00</b>	<b>24,68,571.00</b>

23. Company has not appointed company secretary in terms of section 203 of the companies Act of 2013.

24. The balances in the parties accounts under Sundry Creditors, Sundry Debtors, Advance from Customers, Loans & Advances, Deposits etc., are subject to confirmation./ Reconciliation/ Adjustments if any.

25. Sundry creditors dues to Micro, small and Medium enterprisers development Act,2006, could not be ascertained due to lack of information.

26. Expenditure incurred in foreign currency- Rs. NIL

27. C I F Value of imports of raw material Rs NIL.

28. Previous years figures have been regrouped and reclassified wherever necessary in order to be in conformity with current years presentation.

29. 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.

**30. Related party disclosures**

**Related party disclosures as required by AS18" Related party disclosures " are given below**

**(i) Relationships**

**Related Party Relationship** 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 **Sri K V Prabhakar** K.V.Prabhakar(H.U.F) Enterprises in which Key Management Personnel/relatives is/are interested

VakratundaAgritechPvt Ltd	--do--
SreeGanesar Textiles	--do--
The Union Theaters (P) Ltd.,	--do--
The Margarine Refined Oil CpPvt Ltd.,	--do--
SreeVijayalakshmi Oil Mills	--do--
Veerabhadreswara Trading Co	--do--
Vijayalakshmi Cotton Enterprises	--do--
SreeSrinivasa Industries	--do--
Basaveswara Cotton Commercials	--do--
Smt.UVijayaPrabhakar	--do--
VakratundaAgritechPvt Ltd	--do--

<b>(ii) Transactions made during the year with "Related Parties" during the course of Business..</b>		
<b>Nature of Transactions</b>	<b>Interested Enterprises/Directors</b>	<b>Key management Personnel</b>
	(Rs in '000's)	(Rs in '000's)
Job Work	612.00	29,68,000.00
Purchases	-	-
Loan Paid And Received	30951.00	21,219.00
Rent	60.00	360.00
Remuneration	30.00	135.00
<b>31.Earning per share</b>	<b>2017-18</b>	<b>2016-17</b>
Profit (Loss) as per profit and loss account	3,80,529.00	4360640.00
Weighted average number of equity shares outstanding	4,478,200.00	4478200.00
Basic and diluted earning per share	(0.08)	(0.97)

**The accompanying notes are an intigral part of these finacial Statements**

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

**K.V.Prabhakar**  
**Chairman**  
**DIN NO:01716813**

**T.Chandrashekhar**  
**Director**  
**DIN NO: 03125409**

**Read with our Report**  
**For Sumanth Ananthram&Co.,**  
**Firm Registration No. 016140s**  
**Chartered Accountants**

**(Sumanth.A)**  
**Proprietor.**  
**Membership No.0237227**  
**Place: Chitradurga**  
**Date:26.05.2018**

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

**32. Details of Segment Reporting**

2017-18				
Information about business segment	Cotton Yarn	Cotton Lint	others	Total
Sales revenue from external customers		3,80,33,371		3,80,33,371
Other segment revenue		-	22,73,937	22,73,937
Total Revenue				4,03,07,308
Segment results		3,95,99,112		3,95,99,112
Unallocated results	-	-	-	-
Less: Financial expenses	-	-	-	3,27,668
Profit Before Tax				3,80,529
Provision for Tax	-	-	-	-
Segment assets	-	3,00,60,563		3,00,60,563
Unallocated corporate assets	-	-	-	36,45,613
Total Assets	-	-	-	3,37,06,176
Segment Liabilities	-	3,09,51,843		3,09,51,843
Unallocated corporate Liabilities				27,54,333
Total Liabilities				3,37,06,176

0.00

**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  
1) Cotton Lint  
b) Others Cotton seeds & Kappa's \
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.,*

**K.V.Prabhakar**  
*Chairman*  
**DIN NO:01716813**

**T.Chandrashekhara**  
*Director*  
**DIN NO: 03125409**

*Read with our Report*  
**For Sumanth Ananthram & Co.,**  
*Firm Registration No. 016140s*  
**Chartered Accountants**

**(Sumanth.A)**  
**Proprietor.**  
*Membership No.0237227*  
*Place: Chitradurga*  
*Date:26.05.2018*

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

<b>I REGISTRATION DETAILS</b>			
Registration No	11732	State Code	08
Balance Sheet Date	31/03/2018		
<b>II CAPITAL RAISED DURING THE YEAR (Amount In Rs )</b>			
Public Issue	NIL	Rights Issue	NIL
Bonus Issue	NIL	Private Placement	NIL
<b>III POSITION OF MOBILISATION AND DEVELOPMENT OF FUNDS (Amount In Rs.)</b>			
<b>TOTAL LIABILITIES</b>	<b>3,37,06,176</b>	<b>TOTAL ASSETS</b>	<b>3,37,06,176</b>
<b>SOURCES OF FUNDS</b>			
Paid Up Capital	4,47,82,000.00		
Reserves & Surplus	(5,67,72,216.00)	Share Warrants	NIL
Unsecured Loans	3,09,51,843.00	Secured Loans	NIL
<b>APPLICATION OF FUNDS</b>			
Net Fixed Assets	38,92,306.60	Investments	48,000.00
Net Current Assets	2,84,96,922.69	Miscellaneous Expen	NIL
Accumulated Losses	(5,63,91,687.20)	Deferred Taxation	NIL
<b>IV PERFORMANCE OF COMPANY(Amount In Rs )</b>			
Turnover (Total Income)	4,03,07,308.00	Total Expenditure	3,99,26,779.20
Profit / ( Loss ) Before Tax	3,80,528.80	Profit / ( Loss ) After	3,80,528.80
Earning Per Share (In Rs.)	0.08	Dividend Rate	NA
<b>V GENERIC NAMES OF TWO PRINCIPAL PRODUCTS/SERVICES OF THE COMPAN</b>			
<b>ITEM CODE NO (ITC Code)</b>		<b>PRODUCT DESCRIPTION</b>	
140420		Cotton Linters	
120720		Cotton Seeds	
5205		Cotton Yarn	
		<b>K.V.Prabhakar</b>	
		<b>Chairman</b>	
<b>Place: Chitradurga</b>		<b>T.Chandrashekha</b>	
Date : 26-05-2018		<b>Director</b>	

M/s.SREE JAYALAKSHMI AUTOSPIN LIMITED

9. FIXED ASSETS

PARTICULARS	BALANCE AS ON 01.04.2017	GROSS BLOCK			DEPRECIATION			NET BLOCK		
		ADDITIONS	DELETIONS	TOTAL	AS ON 01.04.2017	FOR THE YEAR	Additional Depreciation due to transitional Provision	TOTAL	AS ON 31.03.2018	AS ON 31.03.2017
LAND	889,752.00	-	-	889,752.00	-	-	-	-	889,752.00	889,752.00
BUILDING	9,693,547.00	-	-	9,693,547.00	65,12,071.00	2,65,971.00	-	67,78,042.00	29,15,505.00	31,81,476.00
FURNITURE & FITTINGS	424,178.00	-	-	424,178.00	3,23,784.00	25,992.00	-	3,49,776.00	74,402.00	1,00,394.00
VEHICALS OTHER ASSETS	8,61,437.00	-	-	8,61,437.00	8,61,435.00	-	-	861,435.00	-	2.00
	283,352.00	-	-	283,352.00	270,704.00	-	-	270,704.00	12,648.00	12,648.00
<b>TOTAL</b>	<b>1,12,52,266.00</b>	<b>-</b>	<b>-</b>	<b>12,152,266.00</b>	<b>79,67,994.00</b>	<b>2,91,963.00</b>	<b>-</b>	<b>82,59,957.00</b>	<b>38,92,307.00</b>	<b>41,84,271.00</b>
<b>PREVIOUS YEAR</b>	<b>1,52,00,039.00</b>	<b>-</b>	<b>30,47,773.00</b>	<b>1,21,52,266.00</b>	<b>98,90,799.00</b>	<b>4,57,171.00</b>	<b>23,79,976.00</b>	<b>79,67,994.00</b>	<b>41,84,272.00</b>	<b>53,09,240.00</b>

Note: (1) The Company as Stopped its Spinning Operations and sold the machinery related to that segment and the net result from the same has been shown under income from discontinued operation. (2) 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.

Statement of Changes in Equity for the Period ended 31/03/2018

A. Equity Share Capital	Balance at the beginning of the reporting period	Changes in equity share capital	Balance at the end of the reporting period	Reserves and Surplus			Retained Earnings	Debt instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Revaluation Surplus	Exchange differences on translating the financial	Other items of Comprehensive Income (specify nature)	Money received against share warrants	Total
				Capital Reserve	Securities Premium Reserve	Other Reserves (specify nature)									
Equity Share Capital	4,47,82,000	-	4,47,82,000												
<b>B. Other Equity</b>															
Balance at the beginning of the reporting period		-	3,16,000				(5,70,88,216)								(5,67,72,216)
Changes in accounting policy or prior period errors		-													
Restated balance at the beginning of the reporting period		-													
Total Comprehensive Income for the year							3,80,529								3,80,529
Dividends															
Transfer to retained earnings															
Any other change (to be specified)															
Balance at the end of the reporting period			3,16,000												(5,63,91,687)

**For Sumanth Anantharam & Co.,**  
 Firm Registration No. 016140s  
**Chartered Accountants**

**Sumanth A**  
**Proprietor.**  
**Membership No.237227**

**Place: Chitradurga**  
**Date: 26/05/2018**

**SreeJayalakshmi Auto Spin Limited**

Regd. Office :“SANJANA” Davangere 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, 10<sup>th</sup> September, 2018 at 11.00 A.M. at 80/81, “sanjana”, Davangere Road, Chitradurga-577501

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

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

-----

**SreeJayalakshmi Auto Spin Limited**

Regd. Office :“SANJANA” Davangere Road, Chitradurga-577501

**Form No.MGT-11**

**PROXYFORM**

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

CIN: L85110KA1991PLC011732

Name of the Company: sreejayalakshmi auto spin ltd

Registered Office: sanjana, Davangere Road, Chitradurga-577501 Karnataka

Name of the Member(s) : Registered Address :

Email ID :

Folio No.

I/We being a Member(s) of \_\_\_\_ shares of SreeJayalakshmi Auto Spin Ltd. hereby appoint:

1. Name : \_\_\_\_\_ Address:

EmailId: \_\_\_\_\_ Signature:

2. Name : \_\_\_\_\_ Address:

EmailId: \_\_\_\_\_ Signature:

as my/our proxy to attend and vote for me/us on my/our behalf at 27<sup>th</sup> Annual General Meeting of the Company at the Registered Office of the Company at sanjana, Davangere Road, Chitradurga. Karnataka on Monday, 10.09.2018 at 11:00 A.M. and at any adjournment thereof in respect of such resolutions as are indicated below:

