

SREE JAYALAKSHMI AUTOSPIN LIMITED

Regd Office "SANJANA "Davanagere Road, CHITRADURGA-577501.Tel:08194-223040-Email

id:sjalcd@gmail.com.sjalcdgriev@mail.com. website:sjal.com

CIN: L85110KA1991PLC011732

Notice is hereby given that the Twenty Sixth Annual General Meeting of the Members of Sree Jayalakshmi Auto Spin Limited will be held on Tuesday, 26th September, 2017 at 11.00 A.M. at the registered office of the company at Sanjana, Davangere Road,Chitradurga-577501 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, 2017, including Audited Balance Sheet as at 31st March 2017, 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 the Statutory Auditors of the Company until the conclusion of next AGM and to fix their remuneration and in this respect, to pass, with or without modification (s) the following resolution as an Ordinary Resolution:
"RESOLVED THAT pursuant to the provisions of Section 139, 142 of the Companies Act, 2013 and the Rules made there under, and pursuant to the recommendations of the Audit Committee of the Company, the appointment of Sumanth Anantharam & Co, Chartered Accountants (Registration No 016140S, M No.237227), as the Statutory Auditors of the Company, be and is hereby appointed to hold office of Auditors from the conclusion of this Annual General Meeting (AGM) until the conclusion of next Annual General Meeting and the Board of Directors be and is hereby authorized to fix their remuneration."

**By Order of the Board
K.V. Prabhakar
Managing Director/ C.F.O
DIN No. 01716813**

Date: 26.08.2017

Place: Chitradurga

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 20-9-2017 to 26-9-2017. (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 Saturday 23, September2017 at 9.00 A.M. and ends on Monday 25, September2017 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 19-9-2017, 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.
- (iii) Click on "Shareholders" tab.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
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">• 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.• 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.

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"> 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).

(viii) After entering these details appropriately, click on “SUBMIT” tab.

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

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

(xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.

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

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

(xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.

(xvii) If Demat account holder has forgotten the same password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, and NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporate.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to 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 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, under help section or write an email to 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. Shanker 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 scrutinizer’s 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 and on the website of CDSL at 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,

Sree Jayalakshmi Auto Spin Limited

Your Directors have pleasure in presenting their 26th Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2017.

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

Particulars	2016-2017 (Amount in Rs.)	2015-16 (Amount in Rs.)
Total Income	68,621,147.00	76,584,809.00
Depreciation	457,171.00	500,099.00
Total Expenses	73,428,826.00	89,739,109.00
Profit/(Loss)	(4,807,679.00)	(13,154,300.00)

2. Dividend

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

3. Reserves

Since the Company has incurred loss during the period under review, 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.

5. Change in the nature of business, if any

Spinning unit has been closed from August 2015 and only Ginning and Trading activities are done.

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.

Company has appointed Sri. Sumanth Anantharam & Co, as 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 in to the statutory and secretarial auditor works of the company.

9. **Auditors' Report:** The explanations made by the Board relating to the qualifications, reservations or adverse remarks made by the Auditors in their report are furnished below.

The Auditors in their reports have expressed their opinion that company's entire net worth has been eroded and Company has stopped the spinning activity and sold the machineries of spinning unit.

The Company has incurred losses from last ten years from spinning activity due to poor production, under utilization of machineries, non-availability of labor and recession in textile industries. By stopping the spinning activity, company may not incur further losses from spinning activity. Directors have infused funds to carry out the cotton ginning, pressing and trading activity of the company. Company has leased out its building on lease basis to earn some income from rentals.

10. SHARE CAPITAL

a. INCREASE IN SHARE CAPITAL

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

B. BUY BACK OF SECURITIES; The Company has not bought back any of its securities during the year under review.

c. SWEAT EQUITY: The Company has not issued any Sweat Equity Shares during the year under review.

d. BONUS SHARES: No Bonus Shares were issued during the year under review.

d. EMPLOYEES STOCK OPTION PLAN: 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 taken any Corporate Social Responsibility initiatives on account of losses.

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 Company has received necessary declaration from each independent director under Section 149(7) of the Companies Act, 2013, that he /she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 25 of the Listing Regulations.

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

Pursuant to the governing provisions of the Companies Act, 2013 and LODR Regulations, 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 18-4-2016, 9-5-2016, 8-8-2016, 26-8-2016, 12-11-2016 and 8-02-2017.

Board Committees: The following are the details of the board committees during the year 2016-17.

1. Audit Committee

2. NRC

3. Shareholders grievance committee.

4. Risk Management committee.

17. **Audit Committee**

As on 31st March 2017 Audit Committee consists of three non executive directors. The members of the Committee are Mr. Ram Murthy, V.K. Mamani and T. Chandrasekhar. The audit committee had met for six times in a financial year.

18. **Whistle Blower policy**

The Company has established a Whistle Blower Policy for Directors and employees to report their genuine concern. The details of the same is explained in the Corporate Governance Report.

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 provisions of the act, and LODR Regulations 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.

21. Particulars of contracts or arrangements with related parties: The particulars of Contracts or Arrangements made with related parties made pursuant to Section 188 is furnished in **Annexure III** and is attached to this report.

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

23. Secretarial Audit Report: Pursuant to Section 204 of the Companies Act 2013 and the Companies (Appointment and remuneration of Managerial Personnel) Rules 2014, the Company has appointed by Mr. G Shanker Prasad, a company secretary in practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report and the Board's Explanations to the observations made therein are Annexure there with as **Annexure IV and Annexure VII** with the report.

24. 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.

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

(a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures. (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the loss of the company for that period. (c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.

(d) The directors had prepared the annual accounts on a going concern basis; and (e) The Director had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively. (f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

26. Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future: There were no such orders passed.

27. Management Discussion and Analysis report: Management Discussion and Analysis Report as required under LODR regulations is disclosed as **Annexure-V. 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.**

28. Corporate Governance Report: Corporate Governance report as required under LODR regulations is disclosed as **Annexure VI**

29. Listing Fees: The Company confirms that it has paid the annual listing fees for the year 2017-18 to the Bombay Stock exchange. **30. 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.

31. 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. 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. There were no Fixed Agreements with Media Companies and no such meet was conducted.

32. 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.

33. Policy for determining Material Subsidiaries: Company does not deal in any material subsidiaries. **34. No Fixed Agreements with Media Companies:** There were no Fixed Agreements with Media Companies and no such meet was conducted.

34. 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 or to sjlalcd@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. **35. Details in respect of adequacy of internal financial controls with reference to the Financial Statements:** 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.

An extensive programme of internal audits and management reviews supplements the process of internal financial control framework. Properly documented policies, guidelines and procedures are laid down for this purpose. The internal financial control framework has been designed to ensure that the financial and other records are reliable for preparing financial and other statements and for maintaining accountability of assets. In addition, the Company has identified and documented the risks and controls for each process that has a relationship to the financial operations and reporting.

The Company also has an Audit Committee to interact with the Statutory Auditors, Management in dealing with matters within its terms of reference. This Committee mainly deals with accounting matters, financial reporting and internal controls. **36. 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: 26-8-2017

Total Public Shareholding (B)= (B)(1)+(B)(2)	855600	2986668	3842268	85.80	858100	2984168	3842268	85.80	0.00
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	1491532	2986668	4478200	100.00	1494032	2984168	4478200	100.00	0.00

ii) Shareholding of Promoters

Sl No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	Prabhakar K V	635932	14.20	-	635932	14.20	-	-
	Total	635932	14.20	-	635932	14.20	-	-

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

Sl. No.	Shareholders Name	Share holding at the beginning of the Year		Date	Increase/Decrease in Share Holding	Reason	Cumulative Share holding during the year		Reason
		No. of Shares	% of total shares of the company				No of shares	% of total shares of the company	
-	Prabhakar K.V	635932	14.20	-	NIL	-	635932	14.20	NIL

iv) 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 - 01.04.2016		Date	Increase/Decrease in Share Holding	Reason	Cumulative Shareholding During The Year - 31.03.2017	
		No. of Shares	% of Total Shares of the Company				No Of Shares	% of Total Shares of the Company
1	VijayaPrabhakar	652762	14.58	01.04.2016	No movement during the year			
				31.03.2017			652762	14.58
2	SanjanaPrabhakar	310900	6.94	01.04.2016	No movement during the year			
				31.03.2017			310900	6.94
3	Indian Bank	200000	4.47	01.04.2016	No movement during the year			
				31.03.2017			200000	4.47
4	AnushaPrabhakar	112155	2.50	01.04.2016	No movement during the year			
				31.03.2017			112155	2.50
5	Vicco Products (Bombay) Limited	110300	2.46	01.04.2016	No movement during the year			
				31.03.2017			110300	2.46
6	VimalKhandwala	110300	2.46	01.04.2016	No movement during the year			
				31.03.2017			110300	2.46
7	Karnataka State Financial Corporation	100000	2.23	01.04.2016	No movement during the year			
				31.03.2017			100000	2.23
8	Karnataka State Industrial I. D.C.	100000	2.23	01.04.2016	No movement during the year R			
				31.03.2017			100000	2.23

9	GFC Securities and Finance Ltd	90386	2.02	01.04.2016	No movements during the year		90386	2.02
				31.03.2017				
10	M D Finance & Investment Co Pvt Ltd	93300	2.08	01.04.2016	No movement during the year			
				31.03.2017			93300	2.08

v). Shareholding of Directors & KMP

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

V. INDEBTEDNESS

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

Indebtedness at the beginning of the financial year	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtness
i) Principal Amount	6,781,491.00	21,218,756.00	Nil	28,000,247.00
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	6,781,491.00	21,218,756.00	Nil	28,000,247.00
Change in Indebtedness during the financial year	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
* Addition	(2,250,502.00)	Nil	Nil	(2,250,502.00)
* Reduction			Nil	
Net Change	2,250,502.00		Nil	2,250,442.00
Indebtedness at the end of the financial year	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtness
i) Principal Amount	9,031,993.00	21,218,756.00	Nil	30,250,749.00

ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	9,031,993.00	21,218,756.00	Nil	30,250,749.00

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		K.V. Prabhakar	
1	Gross salary (P.A.)	135000	135000
	(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)	135000	135000
	Ceiling as per Act	3000000	3000000

B. Remuneration to other directors:

Sl. no.	Particulars of Remuneration	Name of Directors				Total Amount
		V. K Mamani	Ram Murthy	T. Chandrashekar	D	
1	Independent Directors					
	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	Other Non-Executive Directors	Nil	Nil	Nil	Nil	Nil
	Fee for attending board committee meetings	Nil	Nil	Nil	Nil	Nil
	Commission	Nil	Nil	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil	Nil	Nil
	Total (2)	Nil	Nil	Nil	Nil	Nil
	Total (B)=(1+2)	Nil	Nil	Nil	Nil	Nil
	Total Managerial Remuneration	Nil	Nil	Nil	Nil	Nil
	Overall Ceiling as per the Act	The remuneration payable to Non- Executive Directors shall not exceed 1% of the net profit of the Company. Since the Company is not earning profit so Directors are not entitled for any remuneration.				

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

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

VI. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)	
A. COMPANY						
Penalty	Nil	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil	Nil

Compounding	Nil	Nil	Nil	Nil	Nil	Nil
B. DIRECTORS						
Penalty	Nil	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil	Nil
C. OTHER OFFICERS IN DEFAULT						
Penalty	Nil	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil	Nil

Annexure II

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.

By Order of the Board

K.V. Prabhakar

**Managing Director & C.F.O.
DIN No. 01716813**

Date: 26.08.2017

Place: Chitradurga

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: **Srinivasa Industries**

(b) Nature of contracts/arrangements/transactions: **Lease arrangements**

(c) Duration of the contracts / arrangements/transactions: **One year**

(d) Salient terms of the contracts or arrangements or transactions including the value, if any: **30,000 p.m or 3, 60,000 p.a.**

(e) Justification for entering into such contracts or arrangements or transactions: **Ginning activities**

(f) Date(s) of approval by the Board: **26.8.2016**

(g) Amount paid as advances, if any: **1, 80,000**

(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188: **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 & C.F.O
DIN No. 01716813

Date: 26.08.2017

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 31st MARCH 2017

[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,
Sree Jayalakshmi Auto Spin Limited,
Chitradurga

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March 2017 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 31st March 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under 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: 26.08.2017

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,
The Members
Sree Jayalakshmi Auto Spin Limited,
Chitradurga

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

1. 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.
2. I have not verified the correctness and appropriateness of financial records and books of accounts of the company.
3. Wherever required, I have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
4. 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.
5. 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: 26.08.2017

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 2016-17 (Oct 16 to Sept 17), the acreage under cotton cultivation is 105 lakh hectares (i.e. 36% of world area under cotton) and estimated production is 341 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 lag 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. Besides this, world ending stocks which used to be 22 million metric tons has reduced to the level of 16-17 million tons while consumption is increasing in comparison to production in all the major countries including India.

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.

Global cotton consumption during 16-17 seasons has been estimated to be normal. India's production has been 336lakhbales for the year 2016-17. India cotton exports to be declined to 55 lakh bale. Mills consumption is around 275 lakh bales, non-mill consumption and SSI consumption is around 30 lakh bales and carried forward stock will be 59 lakh bales (including the opening stock of 43 lakh bales)

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

Indian cotton prices further moved upward in domestic market during the year in line with the forecast offered in the previous report. Severe tight supply of the fiber in domestic market has led to such a situation, production estimates by various agencies seems to have gone wrong and mills have not covered them well as they were with impression that the cotton would be available in abundance at a competitive price as the season progress. However supply has dried up and cotton prices moved north. At high process, demand for local cotton has diminished and not many deals were reported. On the other hand, yarn prices have not improved proportionately and mills are under pressure due to weaker demand. Many spinning mills have now started importing cotton from abroad as import fiber price is competitive than local goods. The domestic cotton scenario may not change much and cotton prices should stay strong with some fluctuation in near future.

OPPORTUNITES, THREATS, RISKS AND CONCERNS;

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

Though the supply of quality power is in question through power companies, and unscheduled power cuts are on higher side, addition to that the Karnataka electricity regulatory commission has recently hiked power tariff by 10 percent per unit for industrial consumers. This is the tenth hike in last seven years beginning from November 2009.

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 & C.F.O
DIN No. 01716813

Date: 26.08.2017

Place: Chitradurga

Annexure VI

REPORT ON CORPORATE GOVERNANCE

Company's Philosophy on Code of Governance

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

Board of Directors

Composition of Board

The Board of Directors of the Company consisted of Five (5) Directors including three (3) Independent Directors namely Mr. Ram Murthy, V.K. Mamami and T. Chandrasekhar, all non-executive Directors. Mr. K.V. Prabhakar is a Chairman and Managing Director & c.f.o. 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 18-4-2016, 9-5-2016, 8-8-2016, 26-8-2016, 12-11-2016 and 8-02-2017.

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

Names of the directors	Category/ Position	Last Annual General Meeting Attended	No. Of board meetings attended out of 6 held during the year	No Of The Directorship Held In The Other Companies	Committee Positions Held In The Other Companies
K.V.Prabhakar	CMD	Yes	6	5	Nil
Smt.U.Vijayabhakar	Director	Yes	6	2	Nil
Sri.Vishwanathk. Mamani	Director	Yes	6	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, Six (6) Audit Committee meetings have taken place on 18.04.2016, 9.5.2016, 8.08.2016, 26.8.2016, 12.11.2016, and 8.2.2017.

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:

Date	Venue	Time
------	-------	------

25.09.2014	80/81, Kelagote (KIADB) Industrial Area, Old NH-4 Chitradurga-577501	11.00.A.M.
------------	--	------------

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.
------------	--	------------

No Special Resolution was passed through Postal Ballot during the financial year 2016-2017. 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 has been denied access to the Audit Committee.

Accounting treatment in preparation of Financial Statements:

The guidelines/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 placed Audit committee and all accounting disclosures are made to Audit committee for discussion and guidance to the Board.

6. GENERAL SHAREHOLDERS' INFORMATION

a. 26th Annual General Meeting

Date	: 26th September, 2017
Day	: Tuesday
Time	: 11.00 a.m.
Venue	: "Sanjana", Davangere Road Chitradurga-577501

b. Financial Year : 2016 - 2017

c. Date of Book Closure : 20.09.2017 to 26.09.2017
(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, 2017:

Shareholding pattern as on 31.03.2017		
Category	No of Shares	% of Equity
Indian Promoters	635,932	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	465,948	10.40
NRI/OCB/FFI	287,200	6.41
Indian Public	2,648,824	59.15
Trust	900	0.02
TOTAL	4,478,200	100

Dematerialization of Shares and liquidity:

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

Category	No shares	No of Shares	Percentage
Electronic form	374	1494032	33.36
Physical holding	905	2984168	66.64
Total	1279	4478200	100.00

7. MEANS OF COMMUNICATION

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

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

The Company's website www.sjlal.com 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 LODR Regulations, 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 31.03.2017

For SreeJayalakshmi Auto Spin Limited

K.V. Prabhakar

DIN:-01716813

09. CEO CERTIFICATION:

As per regulation 17(8) of SEBI (LODR) regulations 2015, 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 had 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

We have audited the accompanying Financial Statements of **M/s. SREE JAYALAKSHMI AUTOSPIN LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March 2017, 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

1. 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

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

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

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

3. 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.
4. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Basis for Qualified Opinion

5. **A. Attention of the members is invited to note no 24 of the financial statements of the company having been prepared on a going concern basis, notwithstanding the fact that the company has**

been stopped its spinning activity and sold the entire machineries of the spinning unit, the appropriateness of the said basis is inter-alia dependent on the company's ability to continue its spinning unit and continue the operations of the company.

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

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in *the basis for qualified opinion* paragraph, the Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2017.

(b) In the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and

(c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

7. We draw attention to the following notes:

Note No. 26 of the financial statements regarding balances shown under debtors, advances, deposits and creditors are subject to confirmation/reconciliation /adjustment if any.

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

Report on Other Legal and Regulatory Requirements

8. 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.
9. 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) The going concern matter described in basis of our qualified opinion Matters paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
 - (g) On the basis of written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative Contracts for which there were any material foreseeable losses.

iii. The Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 9 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company.

iv. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

Firm Registration No.004966S

Chartered Accountants

H.M.Vrushabhendra Murthy

Proprietor.

Member Ship No.026432

Place: Bangalore

Date: 29.04.2017

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
- vii.
 - a. According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees' State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Customs duty, Excise duty, Value added tax, Cess, Professional tax
 - b. And other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.
- viii. 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

- ix. 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.
- x. 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.
- xi. **The company has paid managerial remuneration during the year in accordance with the provisions of section 197 read with schedule v to the companies' act 2013.**
- xii. The company is not a Nidhi company hence this clause is not applicable.
- xiii. 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
- xiv. The company has not made any preferential allotment of shares or fully or partly convertible debentures hence this clause is not applicable.
- xv. 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.
- xvi. The Company not is required to be registered under the 45 IA of the RBI act of 1934, and has obtained the registration.

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

Firm Registration No. 004966S

Chartered Accountants

H.M.Vrushabhendra Murthy

Proprietor.

Membership No.026432

Place: Bangalore

Date: 29.04.2017

“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 2017 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 2017, 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.

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

Firm Registration No. 004966S

Chartered Accountants

H.M.Vrushabhendra Murthy

Proprietor.

Membership No.026432

Place: Bangalore

Date: 29.04.2017

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 31st March, 2017. The statement has been prepared by the company in accordance with the requirements of clause 32 of the listing agreement with stock exchange, Bombay and is based on and in agreement with the corresponding profit and loss account and balance sheet of the company covered by our report of 29-04-2017 to the members of the company.

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

Firm Registration No. 04966S

Chartered Accountants

H.M.Vrushabhendra Murthy

Proprietor. Membership No.026432

Place: Bangalore

Date: 29-04-2017

AUDITORS CERTIFICATE ON CORPORATE GOVERNENCE

Auditor's certificate to the members of **Sri JayalakshmiAutospin Ltd.**, on compliance of the condition of corporate governance for the year ended 31st March, 2017 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 31st March, 2017 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 31st March, 2017 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 31st March, 2017 there were no investors grievances remaining pending for a period exceeding one month, and as explained to us by the management, the registrars have reported to the shareholders, Investors grievance committee regularly on the status of such grievances.

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

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

Firm Registration No. 004966SChartered
Accountants

H.M.Vrushabhendra Murthy

Proprietor.

Membership No.026432

Place: Bangalore

Date: 29-04-2017

M/s.SREE JAYALAKSHMI AUTOSPIN LIMITED

Registered Office: "Sanjana" Davangere Road, Chitradurga-577501 Karnataka

Telephone (08194) 234446/223040, Fax: (08194) 234193

BALANCE SHEET FOR THE YEAR ENDED 31st MARCH 2017

PARTICULARS	NOTS	AS ON 31.03.2017 Amount In rs	AS ON 31.03.2016 Amount In rs
I EQUITY & LIABILITY			
SHARE HOLDERS FUNDS			
(A) Share Capital	2	44,782,000.00	44,782,000.00
(B) Reserves and Surplus	3	(56,772,216.00)	(52,411,575.00)
Sub Total of Share Holders Funds		(11,990,216.00)	(7,629,576.00)
NON CURRENT LIABILITIES			
a) Long Term Borrowings	4	21,218,756.00	21,218,756.00
Sub Total of Non-Current Liabilities		21,218,756.00	21,218,756.00
CURRENT LIABILITIES			
a) Short Term Borrowings	5	9,031,993.00	6,781,491.00
b) Trade Payables	6	12,709,348.00	16,431,699.00
c) Other Current Liabilities	7	2,861,795.00	2,936,587.00
d) Short Term Provisions	8	1,082,934.00	1,263,133.00
Sub Total of Current Liabilities		25,686,070.00	27,412,910.00
TOTAL-EQUITY & LIABILITIES		34,914,610.00	41,002,090.00
II ASSETS			
NON CURRENT ASSETS			
a) Fixed Assets			
i. Tangible Assets	9	4,184,272.00	5,309,240.00
b) Non-Current Investment	10	48,000.00	48,000.00
c) Long Term Loans & Advances	11	1,316,947.00	1,312,560.00
Sub Total of Non-Current Assets		5,549,219.00	6,669,800.00
CURRENT ASSETS			
a) Inventories	12	8,193,676.00	12,407,832.00
b) Trade Receivables	13	13,909,979.00	18,560,023.00
c) Cash & Cash Equivalentents	14	1,565,483.00	188,280.00
d) Short Term Loans & Advances	15	5,696,253.00	3,176,155.00
Sub Total of Current Assets		29,365,391.00	34,332,290.00
TOTAL-ASSETS		34,914,610.00	41,002,090.00
<i>The accompanying notes are an integral part of this financial Statement</i>			
<i>.This is the Balance Sheet referred to our in report of even Date.</i>			

For SREE JAYALAKSHMI AUTO SPIN LTD.,

Read with our Report

K.V.Prabhakar
Chairman

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

T.Chandrashekhara
Director

(H.M.Vrushabhendra Murthy)
Proprietor.
Membership No.026432
Place: Bangalore
Date:29.04.2017

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2017

PARTICULARS	NOTES	AS ON 31.03.2017 Amount in Rs	AS ON 31.03.2016 Amount in Rs
REVENUE			
Sales	16	65,416,674.00	76,318,713.00
Other Income	17	3,204,473.00	266,096.00
Total Revenue		68,621,147.00	76,584,809.00
EXPENDITURE			
Cost of Material consumed	18	63,102,104.00	75,284,646.00
Change In Inventories of Finished Goods	19	3,286,067.00	5,994,237.00
Other Manufacturing Expenses	20	2,647,361.00	3,980,848.00
Employee Benefit Expenses	21	512,853.00	213,094.00
Financial Expenses	22	1,024,167.00	1,297,614.00
Depreciation	9	457,171.00	500,099.00
Other Expenses	23	2,399,103.00	2,468,571.00
Total Expenses		73,428,826.00	89,739,109.00
PROFIT/(LOSS) FOR THE YEAR BEFORE TAX		(4,807,679.00)	(13,154,300.00)
Exceptional Item Profit form Discontinuing Operations(before Tax) Gain on Disposal of Assets Attributable to the dis-continuing Operation		447,039.00	1,470,538.00 4,281,144.00

Profit/ (Loss) from Discontinuing Operations		447,039.00	5,751,682.00
Provision for Taxation			
PROFIT AFTER TAX		(4,360,640.00)	(7,402,618.00)
Prior Year Adjustments			
Balance Carried to Balance Sheet		(4,360,640.00)	(7,402,618.00)
<i>Basic Earnings Per Share of Rs.10 each (In Rupees)</i>		(0.97)	(1.65)
<i>Diluted Earning Per Share of Rs.10 each (In Rupees)</i>		(0.097)	(1.65)
<i>The accompanying notes are an integral part of these financial Statement .This is the Balance Sheet referred to our in report of even date.</i>			
<i>For SREE JAYALAKSHMI AUTO SPIN LTD.,</i>			<i>Read with our Report</i>
<i>K.V.Prabhakar</i>			<i>For H.M.V.Murthy&Co.,</i>
<i>Chairman</i>			<i>Firm Registration No. 004966S</i>
			<i>Chartered Accountants</i>
			<i>(H.M.Vrushabhendra Murthy)</i>
<i>T.Chandrashekar</i>			<i>Proprietor.</i>
<i>Director</i>			<i>Membership No.026432</i>
			<i>Place: Bangalore</i>
			<i>Date:29.04.2017</i>

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

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

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 noncurrent investments are stated at cost provision for diminution in the value of non-current investment is made only if such declaim is other than temporary in nature.

1.6 Due to uncertainty, Income on account of Insurance claims 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 and it is paying the premium as per contract. And also the premium as per contract. And no provision has been made for the year.

M/s. SREE JAYALAKSHMI AUTOSPIN LIMITED

Notes to the Accounts

PARTICULARS	AS ON 31.03.2017 Amount In rs	AS ON 31.03.2016 Amount In rs
2. SHARE CAPITAL		
Authorized		
50,00,000 Equity Shares of Rs.10 Each	50,000,000.00	50,000,000.00
Issues		
44,78,200 Equity Shares of Rs.10 Each		44,782,000.00

Subscribed and Fully Paid	44,782,000.00	
44,78,200 Equity Shares of Rs.10 Each	44,782,000.00	44,782,000.00
Total	44,782,000.00	44,782,000.00

Reconciliation of the number of Shares

	31.3.2017	31.3.2016
Balance at the beginning of the period	44,78,200	44,78,200
Issued during the year	-	-
Bough back during the year	-	-
Balance at the end of the year	44,78,200	44,78,200

Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of Shareholder		As at March 31,2017		As at March 31, 2016	
No of Shares held	% of Holding	No of Shares held		% of Holding	
Sri K V Prabhakar	635932	14.20	635932	14.20	
Smt U VijayaPrabhaka	652762	14.58	652762	14.58	
Smt. SanjanaPrithvi	310900	6.94	310900	6.94	

3. RESERVES & SURPLUS

a. Capital Reserve; Balance at the beginning of the year	316,000.00	316,000.00
Addition(Deletion) during the year	-	-
Balance at the end of the period	316,000.00	316,000.00
b. Profit and loss Account		(45,324,958.00)
Balance at the beginning of the year	(52,727,576.00)	
: Additional Depreciation due to transitional Provisions	(4,360,640.00)	
Add; Profit(loss for the year)		(7,402,618.00)
Balance at the end of the period	(57,088,216.00)	(52,727,576.00)
Total Reserves and Surplus	56,772,216.00	(52,411,576.00)

NON CURRENT LIABILITIES

4. LONG-TERM BOROWINGS

Secured

A. Loans From Banks

Vehicle Loan

B. Unsecured		
Loan From Related parties	21,,218,756.00	21,218,756.00
TOTAL	21,218,756.00	21,218,756.00
a.) Loan from related parties are taken from Directors and does not carry any interest.		
M/s. SREE JAYALAKSHMI AUTOSPIN LIMITED		
	AS ON	AS ON
	31.03.2017	31.03.2016
	Amount In rs	Amount In rs
5.CURRENT LIABILITIES		
5.SHORT TERM BORROWINGS		
Secured from Banks		
Working Capital Loan	9,031,993.00	6,781,491.00
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		
Total	9,031,993.00	6,781,491.00
6. TRADE PAYABLE		

a) Due to Micro Medium and Small Enterprises*	-	-
b) Sundry Creditors for supplies and others	9,776,920.00	14,170,639.00
c) Due to Related Parties	2,932,428.00	2,261,060.00
Total	12,709,348.00	16,431,699.00
refer note 26		
7. OTHER CURRENT LIABILITIES		
Advance from customers	1,861,795.00	2,761,365.00
Current maturities of long term borrowings*	1,000,000.00	-
Sales tax payable	-	175,222.00
Total	2,861,795.00	2,936,587.00
* refer the note in 4(a)		
8. SHORT TERM PROVISIONS		
A. Provision for Employee Benefits	4,892.00	16,936.00
B. Others	1,078,042.00	1,246,197.00
Total	1,082,934.00	1,263,133.00
10. NON -CURRENT INVESTMENTS		
(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		
Each equity shares in Veerashaiva Co-Op bank	5,000.00	5,000.00
Total	48000.00	48000.00

M/s.SREE JAYALAKSHMI AUTOSPIN LIMITED

Notes to the Accounts

PARTICULARS	AS ON 31.03.2017 Amount In rs	AS ON 31.03.2016 Amount In rs
NON CURRENT ASSETS		
11. LONG-TERM LOANS AND ADVANCES (Unsecured, considered good)		
Security Deposits	1,316,947.00	1,312,560.00
Total	1,316,947.00	1,312,560.00
CURRENT ASSETS		
12. INVENTORIES (As per Inventory taken, valued and certified by the management)		
Raw Materials	6,207,057.00	7,135,146.00
Work in Process	-	
Finished Goods	1,636,619.00	4,922,681.00
Stores and Consumables	350,000.00	350,000.00
Total	8,193, 676.00	12,407,832.00
13. TRADE RECEIVABLES		
Secured	-	-
Unsecured (Unsecured considered good)		
a) Over six months *	7,948,166.00	8,399,432.00
b) Others	5,961,813.00	10,160,591.00
Total	13,909,979.00	18,560,023.00

*Out of the above debtors over six month Rs22,41,894.00 is under dispute. As per the opinion of the management whole amount is recoverable. No provision has been made in the books for the same.

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

Notes to the Accounts

PARTICULARS	AS ON 31.03.2017 Amount In rs	AS ON 31.03.2016 Amount In rs
14. CASH AND BANK BALANCES		
Cash & Cash Equivalents		
a) Cash in hand	123,306.00	78693.00
b) Balance with Schedule Banks in current Accounts	1,442,177.00	109,587.00
Total	1,565,483.00	188,280.00
15. SHORT TERM LOANS AND ADVANCES		
(Advances recoverable in cash or in kind or for value to be received)		
a) Unsecured & Considered good	4,791,557.00	2,584,708.00
b) Balance with revenue authorities	897,753.00	555,146.00
Others		
a) Staff advance	6,943.00	36300.00
Total	5,696,253.00	3,176,155.00
M/s.SREE JAYALAKSHMI AUTOSPIN LIMITED		
Notes to the Accounts		
16. REVENUE FROM OPERATION		
From Sale of :		
Cotton Lint	50,587,501.00	55,865,174.00
Cotton Seeds	13,921,545.00	20,773,059.00

Kappas	907,628.00	-
Cotton waste	-	150,353.00
Total	65,416,674.00	76,788,586.00
Less: Quality allowance	-	469,873.00
Total	65,416,674.00	76,318,713.00
17. OTHER INCOMES		
Other Income	3,201,972.00	256,096.00
Dividend	2,500.00	10,000.00
Total	3,204,473.00	266,096.00
18. COST OF MATERIAL CONSUMED		
Opening Stock	7,135,146.00	10,725,548.00
Opening Stock in process	-	514,017.00
Purchases	62,174,015.00	71,180,227.00
	69,309,161.00	82,419,792.00
Less : a) closing stock of raw materials	6,207,057.00	7,135,146.00
b) closing stock of WIP	-	
Total Raw Materials Consumed	63,102,104.00	75,284,646.00
19. CHANGES IN INVENTORIES OF FINISHED GOODS WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Increase/Decrease in finished goods:		
Add: Opening stock of finished goods	4,922,686.00	10,916,923.00
Less: Closing Stock of Finished Goods	1,636,619.00	4,922,686.00
Total	3,286,067.00	5,944,237.00
20. OTHER MANUFACTURING EXPENSES		
Consumption of Consumable Stores	442,865.00	691,580.00
Ginning Expenses		2077.00
Directors Remuneration	135,000.00	
Pressing Charges	550,195.00	429,684.00
Consignment Expenses	-	
Power & Fuel	512,594.00	1,287,273.00
Rent, Rates & Taxes	398,663.00	809,832.00
Repairs & Maintenance Building Plant & Machinery	608,044.00	760,402.00

	2,647,361.00	3,980,848.00
21. EMPLOYEE BENEFITS EXPENSES		
a) Salaries and Wages	413,355.00	130,000.00
b) Contribution to PF & ESI & Other Fund	26,858.00	37,679.00
c) Staff & Labour Welfare	72,640.00	45,415.00
Total	512,853.00	213,094.00
M/s.SREE JAYALAKSHMI AUTOSPIN LIMITED		
Notes to the Accounts		
	AS ON	
	31.03.2017	AS ON 31.03.2016
PARTICULARS	Amount In rs	Amount In rs
22. FINANCE COST		
Interest on OD A/c	871,550.00	1,222,599.00
Interest on Vehicle Loan A/c	-	
Bank Charges & Others	152,617.00	75,015.00
Total	1,024,167.00	1,297,614.00
23. OTHER EXPENSES		
Insurance	51,880.00	42,222.00
Communication expenses	61,745.00	62,848.00
Travelling & Conveyance:-		
Directors		
Others	31,044.00	111,225.00
Vehicle Maintenance	33,233.00	111,624.00
Printing & Stationery	95,796.00	80,056.00
Legal & Professional Charges	119,478.00	98,150.00
Payment to Auditors		
Audit Fees Rs. 51,525.00		
Tax Audit Fees Rs. 28,625.00		
Out of Pocket Expenses Rs. 4,340.00	84,490.00	89,221.00
Miscellaneous Expenses	762,420.00	619,605.00

Commission and Brokerage	719,977.00	579,014.00
Freight Outward	429,787.00	664,306.00
Charity	9,253.00	10300.00
Total	2,399,103.00	2,468,571.00

SREE JAYALAKSHMI AUTOSPIN LIMITED
STATEMENT OF PROFIT AND LOSS OF DISCONTINUING OPERATIONS FOR THE YEAR
ENDED 31ST MARCH 2017

Note No 24

PARTICULARS	AS ON 31.03.2017 Amount In rs	AS ON 31.03.2016 Amount In rs
REVENUE FROM DISCONINUING OPERATION		
Revenue from Operation		
Sales of Products (Net)	-	14,307,902.00
Other Income	-	93,248.00
Total Revenue	-	14,401,150.00
EXPENDITURE		
Cost of Materials consumed	-	6,421,513.00
Change In Inventories of Finished Goods	-	2,858,399.00
Other Manufacturing Expenses	-	2,342,386.00
Employee Benefit Expenses	-	731,284.00
Financial Expenses	-	243,270.00
Depreciation	-	
Other Expenses	-	

		333,760.00
Total Expenses	-	12,930,612.00
PROFIT/(LOSS) FOR THE YEAR BEFORE TAX	-	1,470,538.00
Add / (Less): Gain / (Loss) on Disposal of Assets / Settlement of Liabilities attributable to the Discontinuing Operation	-	4,281,144.00
PROFIT BEFORE TAX	-	5,751,682.00
	-	5,751,682.00

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

26. 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.

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

28. Expenditure incurred in foreign currency-
Rs. NIL

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

30. Previous years figures have been regrouped and reclassified wherever necessary in order

to be in conformity with current years presentation.

31. 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.

32. The Company has taken a Ginning unit on lease basis with effect from 29.08.2008, the operating results were incorporated in the accounts

33. 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.UVijayaPrabhakar

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--

City Fort Finvest Ltd.,

-do--

--

--do--

The Margarine Refined Oil CpPvt Ltd.,

--do--

SreeVijayalakshmi Oil Mills

--do--

Veerabhadreswara Trading Co

--do--

Vijayalakshmi Cotton Enterprises

--do--

SreeSrinivasa Industries

--do--

Shri Jaya Infotech Services Pvt Ltd

--do--

Basaveswara Cotton Commercials

--do--

Smt.UVijayaPrabhakar

VakratundaAgritechPvt Ltd

--do--

City Fort Finvest Ltd.,

-do--

--

--do--

(ii) Transactions made during the year with "Related Parties" during the course of Business..		
Nature of Transactions	Interested Enterprises/Directors	Key management Personnel
	(Rs in '000's)	(Rs in '000's)
Job Work	2,968.00	-
Purchases	-	-
Loan Paid And Received	21,219.00	21,219.00
Rent	360.00	360.00
Remuneration	135.00	135.00
34.Earning per share		
	2016-17	2015-16
Profit (Loss) as per profit and loss account	(4,360,640.00)	(7,402,618.00)
Weighted average number of equity shares outstanding	4,478,200.00	4,478,200.00
Basic and diluted earning per share	(0.97)	(1.65)
<i>The accompanying notes are an intigral part of these finacial Statements</i>		
<i>For SREE JAYALAKSHMI AUTO SPIN LTD.,</i>		
<i>Read with our Report</i>		
<i>For H.M.V.Murthy&Co.,</i>		
<i>Firm Registration No. 004966S</i>		
<i>Chartered Accountants</i>		
<i>K.V.Prabhakar</i>		
<i>Chairman</i>		
<i>DIN: 01716813</i>		

Sri T.Chandrashekhara
Director
DIN : 03125409

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

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

**35. Details of Segment
Reporting**

Information about business segment (Primary)	2016-17			Total
	Cotton Yarn	Cotton Lint	others	
Sales revenue from external customers		65,416,674		65,416,674
Other segment revenue		-	3,204,473	3,204,473
Total Revenue				68,621,147
Segment results		72,404,659		72,404,659
Unallocated results	-	-	-	-
Less: Financial expenses	-	-	-	1,024,167
Profit Before Tax				(4,807,679)
Provision for Tax	-	-	-	-
Segment assets		22,103,655		22,103,655
Unallocated corporate assets	-	-	-	12,810,955
Total Assets	-	-	-	34,914,610
Segment Liabilities	7,348.00	12,702,000		12,709,348
Unallocated corporate Liabilities				22,205,262
Total Liabilities				34,914,610

OTHER DISCLOSURES

-

1. Segments have been identified in line with the accounting standard 17 "Segment Reporting" taking into account the organization structure as well as the differing risks and returns.
2. Company has disclosed business segment as the primary segment.
3. Composition of business segment.

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

Read with our Report

K.V.Prabhakar
Chairman

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

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2017

P A R T I C U L A R S		2016-2017 Amount In R		2015-2016 Amount In R
A) CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before Tax & Extraordinary items		(4,360,640)		(7,402,618)
Adjustment for Depreciation	457,171		500,099	
From on Sale of Assets	(447,039)		(4,281,144)	
Interest paid	1,024,167		1,297,614	
Dividend Received	(2,500)	1,031,799	(10,000)	(2,493,431)
Operating Profit before Working capital changes		(3,328,841)		(9,896,049)
Adjustment for:				
Trade Receivables	4,650,044		(1,311,717)	
Inventories	4,214,156		12,957,055	
Trade Payable	(3,722,351)		(486,510)	
Other Current Liabilities	(74,792)		1,562,457	
Short Term Provision	(1,80,199)	4,886,858	(1,166,403)	11,554,882

Cash Generated from Operations		1,558,017		1,658,833
Interest Paid		1,024,167		1,297,614
Net Cash flow from operating Activities (A)		533,850		361,219
B) CASH FLOW FROM INVESTING ACTIVITIES				
Sales of Fixed Assets	1,114,836		6,070,295	
	-		-	
Dividend Received	2,500		10,000	
Decrease in Investment	-		32,500	
Long Term Loans and advances	(4,387)		(83,923)	
Short Term Loans & Advances	(2,520,098)		257,120	
	-		-	
Net Cash used in Investing Activities (B)		(1,407,149)		6,285,992
(C) CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Long Term Borrowings	-		(131,244)	
Proceeds from Short Term Borrowings	2,250,502		(7,429,439)	
Net Cash used in Financing Activities (C)		2,250,502		(7,560,683)
Net Increase or Decrease in Cash and Cash Equivalents (A+B+C)		1,377,203		(913,472)
Cash and Cash Equivalents at 1-4-2016		188,280		1,101,752
Cash and Cash Equivalents at 31-3-2017		1,565,483		188,280

NOTES ON CASH FLOW STATEMENTS

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

Read with our Report

For SREE JAYALAKSHMI

AUTO SPIN LTD.,

K.V.Prabhakar
Chairman

T.Chandrashekhar
Director

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

(H.M.Vrushabhendra
Murthy)
Proprietor.
Membership No.026432
Place: Bangalore
Date:29.04.2017

M/s.SREE JAYALAKSHMI AUTOSPIN LIMITED

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

**I REGISTRATION
DETAILS**

Registration No	11,732	State Code	08
Balance Sheet Date	31/03/2017		

II CAPITAL RAISED DURING THE YEAR (Amount In Rs)

Public Issue	NIL	Rights Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

III POSITION OF MOBILISATION AND DEVELOPMENT OF FUNDS (Amount In Rs.)

TOTAL LIABILITIES	34,914,610.00	TOTAL ASSETS	34,914,610.00
--------------------------	---------------	---------------------	---------------

SOURCES OF FUNDS

Paid Up Capital	44,782,000.00		
Reserves & Surplus	(56,772,216.00)	Share Warrants	NIL
Unsecured Loans	21,218,756.00	Secured Loans	10,031,993.00

**APPLICATION OF
FUNDS**

24,178.00	-	-	424,178.00	285,5000	38,282.00	-		323,784.00	
32,904.00	-	1,521,467.00	861,437.00	1,662,635.00	128,785.00	-	929,985.00	861,435.00	
2.00	-		283,352.00	270,704.00	-			270,704.00	
0,039.00	-	3,047,773.00	12,152,266.00	9,890,799.00	457,171.00		2,379,976.00	7,967,994.00	4,
4,406.00		39,649,367.00	15,200,039.00	47,250,916.00	500,099.00		37,860,216.00	9,890,799.00	5,

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 operations. The net result of discontinued operations and the net result of discontinued operations related 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 2017.

SreeJayalakshmi Auto Spin Limited

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

ATTENDANCE SLIP

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

Regd. Folio no _____

NAME OF ATTENDING PERSON (IN BLOCK LETTERS) *

NAME OF PROXY (IN BLOCK LETTER)

(To be filled in if the Proxy attends instead of Member)

No. of shares held-----

I, Hereby Record My Presence at the Annual General Meeting of the Company Being Held on tuesday, 26th September, 2017 at 11.00 A.M. at 80/81, “sanjana”, Davanagere 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” Davanagere 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, Davanagere 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 26th Annual General Meeting of the Company at the Registered Office of the Company at sanjana, Davangere Road, Chitradurga. Karnataka on Tuesday, 26.09.2017 at 11:00 A.M. and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

1. _____
Signed this _____ day of _____

2. _____
Signed this _____ day of _____

3. _____
Signed this _____ day of _____

4. _____
Signed this _____ day of _____

Signature of the shareholder _____

Signature of Proxy holder _____

Affix
Revenue
Stamp

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

EVEN(Electronic Voting Event No) 170828097

User ID

Password

Note; Please read the instructions printed along with the Notice of Annual General Meeting dated August 26th 2017. The Voting period start from 9.00 am on 23rd Saturday 2017 and end at 5.00 pm on Monday 25th August 2017. The Voting module shall be disabled by CDSL for voting thereafter.

ROUTE MAP OF THE VENUE OF THE MEETING

