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**AANANDA LAKSHMI SPINNING MILLS LIMITED**

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ALSM/RO/SEC/2016-17

8<sup>th</sup> October 2016

To  
The Department of Corporate Services,  
BSE Limited,  
P J Towers, Dalal Street,  
Mumbai-400 001

Dear Sir,

**Sub: Submission of Annual Report for year 2015-16**  
**Scrip Code: 539096**

With reference to the cited subject, pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 we are herewith submitting the Annual Report of the Company for the year 2015-16.

We request you to take the above information on record and acknowledge the receipt of the same.

Thanking you

Yours faithfully  
**For Aananda Lakshmi Spinning Mills Limited**

*Pooja Bung*  
**Pooja Bung**  
**Company Secretary**



Encl: as above



**AANANDA LAKSHMI  
SPINNING MILLS  
LIMITED**

**ANNUAL REPORT  
2015-2016**



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## Important Communication to Members

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circular stating that service of notice / documents including Annual Report can be sent by e-mail to its members. To support this green initiative of Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses in respect of electronic holdings with the Depository through their concerned Depository Participants.



## CORPORATE INFORMATION

### BOARD OF DIRECTORS

Sri Badrinarayan Agarwal

Sri Devender Kumar Agarwal

Sri Jeetender Kumar Agarwal

Sri Surender Kumar Agarwal

Sri Manish Gupta

Smt Sushma Gupta

Chairman

Managing Director & CFO

Director

Independent Director

Independent Director

Independent Director

### Company Secretary

Ms. Pooja Bung

### Stakeholders' Relationship Committee

Sri Manish Gupta

Sri Devender Kumar Agarwal

### Auditors

M/s. Brahmaya & Co.

Flat No. 403 & 404, Golden Green Apartments

Irrum Manzil Colony,

Hyderabad - 500082

### Nomination & Remuneration Committee

Sri Surender Kumar Agarwal

Sri Manish Gupta

Sri Badrinarayan Agarwal

ISIN: INE197R01010

Listed on BSE Limited

Scrip Code: 539096

### Bankers

Andhra Bank

State Bank of Hyderabad

ICICI Bank Limited

### Registrar and Share Transfer Agents

Karvy Computer Share Private Limited

Karvy Selenium Tower B, Plot No 31 & 32,

Gachibowli, Financial District,

Nanakramguda, Serilingampally,

Hyderabad – 500032

Tel No. 040-67161606,

Fax No. 040-23420814

e-mail: einward@karvy.com

Website: www.karvycomputershare.com

### Registered Office

6th Floor, Surya Towers,

105, S.P. Road

Secunderabad – 500003, Telangana

Website: www.aanandalakshmi.com

Email: info@aanandalakshmi.com

CIN: L17121TG2013PLC086564

Phone: 91-40-30512700

Fax: 91-40-30512725

### Audit Committee

Sri Surender Kumar Agarwal

Sri Manish Gupta

Sri Devender Kumar Agarwal

### FACTORY

Spinning Division

Bhongir, Nalgonda Dist.

Telangana - 508 116





## NOTICE

NOTICE is hereby given that the 3<sup>rd</sup> Annual General Meeting of the Members of Aananda Lakshmi Spinning Mills Limited will be held on **Friday, 30<sup>th</sup> day of September, 2016 at 12.00 Noon at Gayatri Gardens, Survey No. 26, Sikh Village, Near Diamond Point Hotel, Secunderabad - 500003** to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements for the financial year ended 31<sup>st</sup> March, 2016 and the Reports of the Directors and Auditors thereon.
2. To appoint a director in place of Sri Jeetender Kumar Agarwal, who retires by rotation and, being eligible offers himself for re-appointment.
3. To appoint auditors and fix their remuneration.

### SPECIAL BUSINESS

4. **TO CONSIDER AND IF THOUGH FIT, TO PASS, WITH OR WITHOUT MODIFICATION(S), THE FOLLOWING RESOLUTION AS AN ORDINARY RESOLUTION.**

**“RESOLVED THAT** the Company do hereby approve in terms of Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit & Auditors) Rules, 2014, as amended, the remuneration of ₹ 20,000/- (Rupees Twenty thousand only) plus out of pocket expenses payable to Aruna Prasad & Co., Cost Accountant for the cost audit to be conducted by them of the cost records of the Company for the financial year 2016-17.”

By order of the Board  
For **Aananda Lakshmi Spinning Mills Limited**

Place: Secunderabad  
Date : 30.05.2016

**B.N.Agarwal**  
Chairman

## NOTES:

1. The register of members and share transfer books of the Company will be closed from 24<sup>th</sup> September, 2016 to 30<sup>th</sup> September, 2016 (both days inclusive) for the purpose of Annual General Meeting.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.  

A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. The holder of the proxy shall prove his/her identity at the time of attending meeting.
3. A member holding more than 10% of the total share capital may appoint a single person as Proxy and such person shall not act as Proxy for any other person or member. The Instrument appointing the proxy should be deposited at the registered office of the company not less than forty-eight hours before the commencement of the meeting.
4. The shareholder desiring any further information as regards the accounts are requested to write to the Company so as to reach it at least one week prior to the date of the meeting for consideration of the management to deal at the meeting.
5. Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested

to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.

6. Members may note that the Notice of the 3<sup>rd</sup> AGM and the Annual Report for FY 2015-16, copies of audited financial statements, directors' report etc., will also be available on the website of the company, [www.aanandalakshmi.com](http://www.aanandalakshmi.com) for download. Members holding shares in electronic mode are therefore requested to keep their email address updated with the Depository Participants. Members holding shares in physical mode are also requested to update their email addresses by writing to the Registrar and Transfer Agent of the Company at the address M/s Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot No 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032, Telangana.

#### 7. E-Voting :

- (i) Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company is pleased to provide to its Members, the facility to cast their vote electronically, through the e-voting services provided by Karvy Computershare Private Limited (KCPL) on all resolutions set forth in this Notice. The members may cast their votes using an electronic voting system from a place other than the venue of the Meeting ('remote e-voting').
- (ii) In order to enable its Members, who do not have access to e-voting facility, to send their assent or dissent in writing in respect of the resolutions as set out in the Notice of AGM, the Company has also enclosed a ballot form with the Annual Report for 2015-16.
- (iii) The facility for voting through polling paper shall be made available at the Meeting and the members attending the Meeting who have not cast their vote by remote e-voting/ballot form shall be able to vote at the Meeting through polling paper.
- (iv) A Member can opt for only single mode of voting i.e. either through e-voting or by ballot form. If a Member casts votes by both modes then voting done through e-voting shall prevail and vote by Ballot shall be treated as invalid. The members

who have cast their vote by remote e-voting/ ballot form may also attend the Meeting but shall not be entitled to cast their vote again.

- (v) The Board of Directors of the Company has appointed Smt Rashida Adenwala, a Practising Company Secretary, Partner, R & A Associates, Hyderabad as Scrutinizer to voting process (e-voting, ballot and poll) in a fair and transparent manner and she has communicated her willingness to be appointed and will be available for same purpose.
- (vi) **Voting rights shall be reckoned on the paid-up value of shares registered in the name of the member / beneficial owner (in case of electronic shareholding) as on the cut-off date i.e. 23<sup>rd</sup> September, 2016.**
- (vii) **A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, i.e. 23<sup>rd</sup> September, 2016 only shall be entitled to avail the facility of remote e-voting, ballot form as well as voting at AGM through polling paper.**
- (viii) Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e. 23<sup>rd</sup> September, 2016, may obtain the User ID and password by writing to Karvy at [evoting@karvy.com](mailto:evoting@karvy.com) or contact 040-67161606 or Toll Free No.1800 3454 001. However, if the person is already registered with Karvy for remote e-voting then the existing user ID and password can be used for casting vote.
- (ix) The remote e-voting facility will be available during the following period:

**Commencement of remote e-voting: From 9.00 a.m. (IST) on September 27, 2016**

**End of remote e-voting: Up to 5.00 p.m. (IST) on September 29, 2016**

The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting Module shall be disabled by Karvy upon expiry of aforesaid period.

- (x) The Scrutinizer, after scrutinising the votes cast at the meeting and through remote e-voting, will, not later than three days of conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. The results



declared along with the consolidated scrutinizer's report shall be placed on the website of the Company [www.aanandalakshmi.com](http://www.aanandalakshmi.com) and on the website of Karvy <https://evoting.karvy.com>. The results shall simultaneously be communicated to BSE Limited.

(xi) Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e. September 30, 2016.

(xii) **Instructions and other information relating to remote e-voting:**

**A. In case of Members receiving Notice through mail:**

- a. Open e-mail and open PDF File viz. "Aananda Lakshmi Spinning Mills.pdf" with your client ID or folio No. as password. The said PDF File contains your user ID and password for e-voting. Please note that the password is an initial password.
- b. Use the following URL for e-voting: From Karvy website: <http://evoting.karvy.com>
- c. Shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date, may cast their vote electronically.
- d. Enter the login credentials. In case of physical folio, User ID will be EVEN number followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
- e. After entering the details appropriately, click on LOGIN.
- f. You will reach the Password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.,). The system will prompt you to change your password and update any contact details like mobile, email etc., on first login. You may also enter the secret question and answer of your choice to retrieve your password in case you forget

it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- g. You need to login again with the new credentials.
- h. On successful login, the system will prompt you to select the EVENT i.e., **Aananda Lakshmi Spinning Mills Limited**.
- i. On the voting page, enter the number of shares as on the cut-off date under FOR/ AGAINST or alternately you may enter partially any number in FOR and partially in AGAINST but the total number in FOR/ AGAINST taken together should not exceed the total shareholding. You may also choose the option ABSTAIN. If the shareholder does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
- j. Shareholders holding multiple folios / demat account shall choose the voting process separately for each folios / demat account.
- k. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.
- l. Cast your vote by selecting an appropriate option and click on SUBMIT. A confirmation box will be displayed. Click OK to confirm else CANCEL to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, shareholders can login any number of times till they have voted on the Resolution.
- m. Once the vote on the Resolution is cast by the shareholder, he shall not be allowed to change it subsequently.
- n. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [rashida@rna-cs.com](mailto:rashida@rna-cs.com) with a copy marked to [evoting@karvy.com](mailto:evoting@karvy.com).



- o. In case of any queries relating to e-voting, members may please refer the Frequently Asked Questions (FAQs) for shareholders and e-voting User Manual for shareholders available at the download section of <http://evoting.karvy.com> or contact Mr. P. Srirama Murthy, Asst. Manager - Corporate Registry, Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot No. 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500032, Contact no. 040-67161606, Toll free No. 1800 345 4001, email id: srirama.murthy@karvy.com, evoting@karvy.com.
- B. **In case of members receiving notice through post/courier:**
- (i) E-Voting Event Number (EVEN), User ID and Password is provided in the ballot form
- (ii) Please follow all steps mentioned above in Sr. No. (xii)(A)(b) to (xii)(A)(n) to cast your vote by electronic means.
- (xiii) **Instructions and other information relating to Ballot Form:**
- (i) A Member desiring to exercise voting by using Ballot Form shall complete the enclosed Ballot Form with assent (FOR) or dissent (AGAINST) and send it to the Scrutinizer, Smt Rashida Adenwala, a Practising Company Secretary, Partner, R & A Associates, Hyderabad, duly appointed by the Board of Directors of the Company, Ballot Forms deposited in person or sent by post or courier by the member will be accepted at the Registered Office of the Company.
- (ii) Please convey your assent in Column "FOR" or dissent in the column "AGAINST" by placing a tick (✓) mark in the appropriate column in the Ballot Form only. The assent / dissent received in any other form / manner will not be considered.
- (iii) Duly completed and signed Ballot Forms shall reach the Scrutinizer on or before **Thursday, September 29, 2016 (5.00 p.m. IST)**. The Ballot Forms received after the said date / time shall be strictly treated as if the reply from the Member has not been received.
- (iv) Unsigned / incomplete Ballot Forms will be rejected. Scrutinizer's decision on validity of the Ballot Form shall be final.
- (v) A Member may request duplicate Ballot Form, if so required, by writing to the Company at its Registered Office or by sending an email on [info@aanandalkshmi.com](mailto:info@aanandalkshmi.com) by mentioning their Folio No. / DP ID and Client ID. However, the duly filled in duplicate Ballot Form should reach the scrutinizer not later than Thursday, September 29, 2016 (5.00 p.m. IST).
8. The Companies Act, 2013 provides for the facility of nomination to the holders of Shares in a Company. Accordingly, members can avail the facility of nomination in respect of their shares held either singly or jointly. Members desiring to avail this facility are requested to fill up the prescribed nomination form and send the same to the Registered Office of the Company. (The forms are available at the Regd. Office /Office of Registrars of the Company).
9. Members are requested to notify immediately any change in their addresses to the Company.
10. The members are requested to bring their copy for the annual report with them at the time of attending Annual General Meeting.

By order of the Board  
For **Aananda Lakshmi Spinning Mills Limited**

Place: Secunderabad  
Date : 30.05.2016

**B.N.Agarwal**  
Chairman



## EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

### Item No. 4

Section 148 of the Companies Act, 2013 read with Rule 14 of Companies (Audit & Auditors) Rules, 2014, as amended, provides for the appointment and the remuneration of the Cost Auditor for the audit of the cost records of the company by the Board and the remuneration of the Cost Auditor to be ratified by the members of the company. The appointment of Aruna Prasad & Co., Cost Accountant has been approved by Board of Directors as Cost Auditor for carrying out cost audit on the cost records maintained by the company for the year 2016 – 17 on a remuneration of ₹ 20,000/- plus out of pocket expenses. The ratification by the members to this remuneration is being sought in this resolution. The Board recommends the resolution for the approval of the members.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise in the resolution.

By order of the Board  
For **Aananda Lakshmi Spinning Mills Limited**

Place: Secunderabad  
Date: 30.05.2016

**B.N.Agarwal**  
Chairman

## ANNEXURE TO ITEM 2 OF THE NOTICE

Details of Directors seeking appointment and re-appointment at the forthcoming Annual General Meeting (in pursuance of Regulation 36 (3) of SEBI (Listing Obligations Disclosure Requirements) Regulations, 2015)

<b>Name of the Director</b>	<b>Sri Jeetender Kumar Agarwal</b>
DIN	00041946
Date of Birth	22.07.1964
Nationality	Indian
Date of Appointment on the Board	21.03.2013
Qualifications	B.E. Textiles
Expertise in specific functional area	More than 23 Years of experience in textile industry
Number of shares held in the Company as on 31.03.2016	Nil
List of the directorships held in other companies	1. Suryavanshi Industries Limited 2. Suryavanshi Integrated Apparel Park Ltd 3. Sheshadri Power and Infrastructure Private Limited 4. Sheshadri Industries Limited
Chairman/ Member in the Committees of the Boards of companies in which he is Director*	2
* Committee memberships/chairmanships includes only Audit Committee and Stake holders' Relationship Committee of other Public Limited Companies (whether Listed or not).	
Except Sri Badrinarayan Agarwal being father to Sri Jeetender Kumar Agarwal and Sri Devender Kumar Agarwal, there is no inter-se relationship between other Board Members.	

Sri Jeetender Kumar Agarwal is interested in the resolution with regard to his re-appointment and the relatives of Sri Jeetender Kumar Agarwal may be deemed to be interested in the said resolution to the extent of their shareholding in the company.

Except the above none of the other Directors/Key Managerial Personnel of the Company/their relatives is in anyway concerned or interested, financially or otherwise, in the Item No. 2 of the Notice.





## DIRECTORS' REPORT

Dear Shareholders,

We have pleasure in presenting the 3<sup>rd</sup> Annual Report on the business and operations of Company and Financial Results for the year ended 31st March, 2016.

### 1. FINANCIAL RESULTS ₹ In lakhs

	2015-2016	2014-2015
Turnover Revenue	8532.99	9978.98
Gross Profit before financial charges & depreciation	138.29	595.64
Less: Depreciation	145.33	157.77
Financial charges	591.61	422.22
Exceptional items	21.51	-
Profit / (Loss) before taxation	(896.74)	15.65
Profit / (Loss) after taxation	(896.74)	15.65

### 2. OPERATIONS

During the year under review the company achieved total turnover of ₹ 8533 lakhs which is lower than that of the previous year. The operations in the year have ended in a loss of ₹ 896.74 lakhs as against a small profit in the previous year.

Performance for the year under review was affected as Spinning Industry faced many Challenges due to economic slowdown and recessionary conditions prevailing in China and European Countries. The reduction in turnover is on account of count patterns adopted by the company suitable to the market. The company is optimistic to overcome these hurdles in the coming year.

### 3. CHANGE IN SHARE CAPITAL

There are no change in share capital during the year under review.

### 4. DIVIDEND

In view of losses incurred by the Company during the year under review, the Board is unable to recommend dividend.

### 5. EXPORTS

During the year under review the company's exports were ₹ 2.60 Crores as against ₹ 12.00 crores of the previous financial year.

The decrease in exports was due to adverse global market conditions coupled with fluctuation in foreign currency

### 6. FUTURE OUTLOOK

The Company's efforts in development of new value added products are expected to yield better results. The company has further plans to modernize its operations at its spinning unit. This will help in improving the prospects of the company in the coming years.

### 7. CORPORATE GOVERNANCE

A separate report on Corporate Governance is enclosed as a part of this Annual Report. A certificate from the Auditors of the Company regarding compliance with Corporate Governance norms stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed to the Report on Corporate Governance as **Annexure - V**

### 8. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management's Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is presented in a separate section forming part of the Annual Report as **Annexure - IV**

### 9. ENVIRONMENT AND POLLUTION CONTROL

The manufacturing facility has obtained environmental clearance from the Pollution Control Board concerned and is in compliance with all current environmental legislation. As an integral part of its environment protection drive, the Company ensures the very minimum quantity of generation of waste, low emission levels and low noise pollution levels during operations of all manufacturing facilities.

### 10. DIRECTORS AND KEY MANAGERIAL PERSONNEL

#### A. RETIREMENT BY ROTATION

Pursuant to provisions of the Companies Act, 2013, Sri Jeetender Kumar Agarwal (DIN 00041946), Director will retire at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The Board recommends his re-appointment.



**B. APPOINTMENT AND CESSATION**

Ms. Pooja Bung was appointed as Company Secretary w.e.f 30th May 2016 and Ms. Shilpa Agarwal, Company Secretary has resigned w.e.f 20th April 2016.

**C. EVALUATION OF THE BOARD'S PERFORMANCE**

Board carried out through a structured evaluation process covering various aspects of the Board's functioning such as composition of the Board & committees, experience & competencies, performance of specific duties & obligations etc. Separate exercise was carried out to evaluate the performance of individual Directors including the Board, Chairman who were evaluated on parameters such as attendance, contribution at the meetings and otherwise, independent judgement etc. The evaluation of the Independent Directors and that of the Chairman was carried out by the entire Board excluding the Director being evaluated and the evaluation of Non-Independent Directors was carried out by the Independent Directors. A separate meeting of Independent Directors was also held during the year wherein the performance of Chairman, Board and Executive Directors was evaluated.

The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company.

**D. REMUNERATION POLICY**

The company follows a policy on remuneration of Directors and Senior Management Employees. The policy is approved by the Nomination & Remuneration Committee and the Board. More details on the same are given in the Corporate Governance Report.

**E. DECLARATION BY INDEPENDENT DIRECTORS**

All the Independent Directors of the Company have given declaration stating that they meet the criteria of independence as provided under Companies Act, 2013.

**F. FAMILIARIZATION PROGRAMME OF INDEPENDENT DIRECTORS**

The Company has formulated a familiarization program for Independent Directors to provide insights into the Company's manufacturing,

marketing, finance and other important aspects to enable the Independent Directors to understand its business in depth and contribute significantly to the Company. The Company Secretary briefs the Director about their legal and regulatory responsibilities as a Director. The details of such program are available on the Company's website ([www.aanandalakshmi.com](http://www.aanandalakshmi.com)).

**II. AUDITORS & AUDITORS' REPORT**

**A. STATUTORY AUDITORS**

The Statutory Auditors of the Company, M/s. Brahmayya & Co, Chartered Accountants, Hyderabad will retire at the conclusion of ensuing Annual General Meeting and are eligible for re-appointment. They have confirmed their eligibility under Section 141 of the Companies Act, 2013 and the Rules framed there under for re-appointment as Auditors of the Company. As required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India. The Statutory Auditors' Report does not contain any reservation, qualification or adverse remark.

However, In respect of the observation made by the statutory auditors with regards to Non-provision of interest for delay in payments to MSME suppliers, we have to state that explanation was given in Note 33 of the Notes to accounts which is self explanatory.

**B. SECRETARIAL AUDITOR**

During the year, the Company has appointed M/s R & A Associates, Practising Company Secretaries as Secretarial Auditor. The Secretarial Audit report for the financial year 2015-16 is annexed herewith as **Annexure I** to this Report. The Secretarial Audit Report does not contain any reservation, qualification or adverse remark.

**C. COST AUDITOR**

Pursuant to Section 148 of Companies Act, 2013, the Board of Directors on the recommendation of Audit Committee appointed Aruna Prasad & Co., Cost Accountants as the Cost Auditors of the Company for the year 2016-17 and

has recommended the remuneration to the shareholders for their ratification at the ensuing Annual General Meeting. The Auditor has confirmed that the appointment is within the prescribed limits and also certified that they are free from any disqualifications.

## 12. DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

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

## 13. RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons

which may have a potential conflict with the interest of the Company at large.

The Policy on materiality of related party transactions as approved by the Board may be accessed on the Company's website.

Your Directors draw attention of the members to Note 29 to the financial statement which sets out related party disclosures.

## 14. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, is annexed and marked **Annexure II** and forms part of this Report.

## 15. INTERNAL FINANCIAL CONTROLS

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

## 16. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES:

The information required pursuant to Section 197(12) of Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of the employees of the Company, will be provided upon request. In terms of Section 136 of the Act, the Report and Accounts are being sent to the members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the members at the Registered Office of the Company during business hours on working days of the Company upto the date of the ensuing Annual General Meeting. If any member is interested in obtaining a copy thereof, such member may write to the Company Secretary in this regard.

No employee was in receipt of remuneration in excess of the limits prescribed under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended and hence the disclosure as required under Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not required.



**17. POLICY ON SEXUAL HARASSMENT:**

The Company has adopted policy on Prevention of Sexual Harassment of Employees at workplace in accordance with The Sexual harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the year under review, the Company has not received any complaints pertaining to sexual harassment.

**18. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:**

The Company has not made any loan, given guarantee, provided security or made investments pursuant to the provisions of Section 186 of Companies Act, 2013.

**19. DISCLOSURES:**

**A. EXTRACT OF ANNUAL RETURN**

Extract of Annual Return of the Company is annexed herewith as **Annexure III** to this Report.

**B. COMPOSITION OF AUDIT COMMITTEE**

The Audit Committee comprises Sri Surender Kumar Agarwal (Chairman), Sri Manish Gupta and Sri Devender Kumar Agarwal as other members.

All the recommendations made by the Audit Committee were accepted by the Board.

**C. VIGIL MECHANISM**

The Company has implemented a vigil mechanism policy to deal with instance of fraud and mismanagement, if any. It provides for the directors and employees to report genuine concerns and provides adequate safeguards against victimization of persons who use such mechanism. The Policy on vigil mechanism may be accessed on the Company's website [www.aanandalakshmi.com](http://www.aanandalakshmi.com). There were no complaints received during the year 2015-16.

**D. NUMBER OF BOARD MEETINGS**

The Board of Directors of the Company met Five (5) times during the year. For further details, please refer report on Corporate Governance.

**E. LISTING**

The Company confirms that it has paid listing fees for the year to BSE Limited where its shares are listed.

**20. GENERAL**

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- a. Details relating to deposits covered under Chapter V of the Act.
- b. The Company has no subsidiaries, joint ventures or associate companies.
- c. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

**21. APPRECIATION:**

The Board of Directors is pleased to place on record their appreciation of the co-operation and support extended by All India Financial Institutions, Banks and various State and Central Government Agencies.

The Board would also like to thank the Company's shareholders, customers, suppliers for the support and the confidence which they have reposed in the management. The Board place on record its appreciation of the contribution made by the employees at all levels for their hard work, solidarity, co-operation and support.

By order of the Board  
For **Aananda Lakshmi Spinning Mills Limited**

Place : Secunderabad  
Date : 30.05.2016

**B.N.Agarwal**  
Chairman



FORM NO. MR-3

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016.

[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,  
**AANANDA LAKSHMI SPINNING MILLS LIMITED,**  
Surya Towers, 6<sup>th</sup> Floor,  
105, Sardar Patel Road,  
Secunderabad – 500003.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Aananda Lakshmi Spinning Mills Limited (hereinafter called the “**Company**”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our 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, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2016 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended as on 31<sup>st</sup> March, 2016 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) Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - d) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 - **(Not applicable to the Company during the Audit Period);**
  - f) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28<sup>th</sup> October 2014- **(Not applicable to the Company during the Audit Period);**
  - g) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 -**(Not applicable to the Company during the Audit Period);**
  - h) 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 – **(Not applicable to the Company during the Audit Period);**





- i) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and – **(Not applicable to the Company during the Audit Period);**
  - j) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 – **(Not applicable to the Company during the Audit Period).**
- vi. The following other laws as specifically applicable to the Company in view of the management are:
- a) Textiles (Development and Regulation) Order, 2001.\*
  - b) Hank Yarn Packing Notification issued under Essential Commodities Act, 1955.

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.
- ii. The Listing Agreement entered into by the Company with BSE India Limited.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**We 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 the Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

**We 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.

For **R & A Associates**  
Company Secretaries

**Mrs. Rashida Adenwala**  
Partner  
FCS No.: 4020  
C P No.: 2224

Date : 30.05.2016  
Place : Hyderabad



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

**“Annexure – A”**

To,  
The Members,  
**AANANDA LAKSHMI SPINNING MILLS LIMITED,**  
Surya Towers, 6th Floor, 105,  
Sardar Patel Road, Secunderabad - 500003

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

1. Maintenance of secretarial records is the responsibility of the management of M/s. Aananda Lakshmi Spinning Mills Limited (**“the Company”**). Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **R & A Associates**  
Company Secretaries

**Mrs. Rashida Adenwala**  
Partner  
FCS No.: 4020  
C P No.: 2224

Date : 30.05.2016  
Place: Hyderabad



**ANNEXURE - II**

Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo required under the Companies (Accounts) Rules, 2014

**A. CONSERVATION OF ENERGY**

i)	The steps taken or impact on conservation of energy	An energy audit was undertaken by a firm of consultants to improve upon the energy conservation measures. The recommendations from the audit were implemented.
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	The Company has adapted indigenous technology and innovated upon the same.
ii)	The benefits derived like product improvement, cost reduction, product development or import substitution	Product improvement, increase in yield, production of high value added products.
iii)	In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)	No technology has been imported during the last three years.
	a. The details of technology imported	NA
	b. The year of import	NA
	c. Whether the technology been fully absorbed	NA
	d. If not fully absorbed, areas where absorption has not taken place and the reasons thereof and	NA
iv)	The expenditure incurred on Research and Development	Expenditure on in-house Research & Development was not incurred during the year under review.

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

(₹ in Lakhs)

	2015-16	2014-15
i) Foreign Exchange Earned:		
FOB value of exports	229.25	1058.72
CIF value of exports	229.25	1061.16
ii) Foreign Exchange used:		
Commission on Exports	-	4.39
Foreign Travel Expenses	-	-
Spare parts	-	23.77



**FORM NO. MGT - 9**

**EXTRACT OF ANNUAL RETURN**

as on the financial year ended 31.03.2016

[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

i)	CIN	L17121TG2013PLC086564
ii)	Registration Date	21/03/2013
iii)	Name of the Company	Aananda Lakshmi Spinning Mills Limited
iv)	Category / Sub-Category of the Company	Company Limited by shares / Indian Non-Government Company
v)	Address of the Registered Office and contact details	6 <sup>th</sup> Floor, Surya Towers, 105, Sardar Patel Road, Secunderabad – 500003 Tel No. 040-30512700, Fax: 040-30512725
vi)	Whether listed company Yes / No	Yes
vii)	Name, address and contact details of Registrar and Transfer Agent, if any	Kary Computershare Private Limited Kary Selenium Tower B, Plot No 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032, Telangana Tel no. 040-67161606, Fax no. 040-23420814

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
I	Cotton yarn and Polyester yarn	13111- Preparation and spinning of cotton fiber including blended cotton 13114 Preparation and spinning of man-made fiber including blended man-made fiber	100%

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

S. No.	Name and address of the Company	CIN/GLN	Holding / subsidiary / Associate	% of shares held	Applicable section
NONE					



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

**i) Category-wise shareholding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual / HUF	1814585	50000	1819585	53.28	1864585	-	1864585	53.28	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
i) Trust	188466	-	188466	5.39	188466	-	188466	5.39	-
<b>Sub-Total (A)(1):</b>	<b>2003051</b>	<b>50000</b>	<b>2053051</b>	<b>58.67</b>	<b>2053051</b>	<b>-</b>	<b>2053051</b>	<b>58.67</b>	<b>-</b>
<b>(2) Foreign</b>									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A)(2):</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Shareholding of Promoters (A)=(A)(1)+(A)(2)</b>	<b>2003051</b>	<b>50000</b>	<b>2053051</b>	<b>58.67</b>	<b>2053051</b>	<b>-</b>	<b>2053051</b>	<b>58.67</b>	<b>-</b>
<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>									
a) Mutual Funds / UTI	104	77	181	0.01	104	77	181	0.01	-
b) Banks / FI	182	117	299	0.01	182	117	299	0.01	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-Total (B)(1):</b>	<b>286</b>	<b>194</b>	<b>480</b>	<b>0.01</b>	<b>286</b>	<b>194</b>	<b>480</b>	<b>0.01</b>	<b>-</b>
<b>(2) Non-Institutions</b>									
<b>a) Bodies Corporate</b>									
i) Indian	106321	339226	445547	12.73	75058	339226	414284	11.84	-0.89
ii) Overseas	-	-	-	-	-	-	-	-	-





Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>b) Individuals</b>									
i) Individual Shareholders Holding nominal share capital upto ₹ 1 lakh	658550	125598	784148	22.41	715699	123821	839520	23.99	1.58
ii) Individual Shareholders holding nominal share capital in excess of ₹ 1 lakh	207671	-	207671	5.93	183489	-	183489	5.24	-0.69
<b>c) Others (specify)</b>									
i) NRI	8373	-	8373	0.24	7556	-	7556	0.22	-0.02
<b>Sub-Total (B)(2):</b>	<b>980915</b>	<b>464824</b>	<b>1445739</b>	<b>41.32</b>	<b>981802</b>	<b>463047</b>	<b>1444849</b>	<b>41.29</b>	<b>-0.03</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>981201</b>	<b>465018</b>	<b>1446219</b>	<b>41.33</b>	<b>982088</b>	<b>463241</b>	<b>1445329</b>	<b>41.33</b>	<b>-</b>
<b>C. Shares held by Custodian for GDR &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>2984252</b>	<b>515018</b>	<b>3499270</b>	<b>100.00</b>	<b>3035139</b>	<b>463241</b>	<b>3498380</b>	<b>100.00</b>	<b>-</b>

**ii) Shareholding of promoters**

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding 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 share	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total share	
1	Devender Kumar Agarwal	441452	12.62	-	1486088	42.47	-	29.85
2	Jeetender Kumar Agarwal	435034	12.43	-	-	-	-	(12.43)
3	Rajender Kumar Agarwal	407617	11.65	-	-	-	-	(11.65)
4	Badrinarayan Agarwal Family Trust	188466	5.39	-	188466	5.39	-	-
5	Badrinarayan Agarwal	161524	4.62	-	161524	4.62	-	-
6	Yamunadevi Agarwal	114451	3.27	-	-	-	-	(3.27)
7	Latha Agarwal	121730	3.48	-	121730	3.48	-	-
8	Narbada Bai	95243	2.72	-	95243	2.72	-	-
9	Meenal Agarwal	87034	2.49	-	-	-	-	(2.49)
10	Rishikesh Agarwal	500	0.01	-	-	-	-	(0.99)
	<b>Total</b>	<b>2053051</b>	<b>58.67</b>	<b>-</b>	<b>2053051</b>	<b>58.67</b>	<b>-</b>	<b>-</b>



(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Promoter's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Devender Kumar Agarwal				
	At the beginning of the year	441452	12.62	441452	12.62
	Increase of shares due to Inter-se transfer among promoters on 6 <sup>th</sup> July 2015	1043136	29.81	1484588	42.43
	Increase of shares due to Inter-se transfer among promoters on 7 <sup>th</sup> July 2015	1500	0.04	1486088	42.47
	At the End of the year			1486088	42.47
2	Jeetender Kumar Agarwal				
	At the beginning of the year	435034	12.43	435034	12.43
	Increase of shares due to Inter-se transfer among promoters on 27 <sup>th</sup> April 2015	87034	2.48	522068	14.91
	Decrease of shares due to Inter-se transfer among promoters on 6 <sup>th</sup> July 2015	521568	(14.90)	500	0.01
	Decrease of shares due to Inter-se transfer among promoters on 7 <sup>th</sup> July 2015	500	(0.01)	Nil	Nil
	At the End of the year			Nil	Nil
3	Rajender Kumar Agarwal				
	At the beginning of the year	407617	11.65	407617	11.65
	Increase of shares due to Inter-se transfer among promoters on 27 <sup>th</sup> April 2015	500	0.014	408117	11.66
	Increase of shares due to Inter-se transfer among promoters on 28 <sup>th</sup> April 2015	114451	3.27	522568	14.94
	Decrease of shares due to Inter-se transfer among promoters on 6 <sup>th</sup> July 2015	(521568)	(14.91)	1000	0.03
	Decrease of shares due to Inter-se transfer among promoters on 7 <sup>th</sup> July 2015	(1000)	(0.03)	Nil	Nil
	At the End of the year			Nil	Nil
4	Badrinarayan Agarwal Family Trust				
	At the beginning of the year	188466	5.39	188466	5.39
	At the End of the year			188466	5.39
5	Badrinarayan Agarwal				
	At the beginning of the year	161524	4.62	161524	4.62
	At the End of the year			161524	4.62
6	Yamunadevi Agarwal				
	At the beginning of the year	114451	3.27	114451	3.27
	Decrease of shares due to Inter-se transfer among promoters on 28 <sup>th</sup> April 2015	(114451)	(3.27)	Nil	Nil
	At the End of the year			Nil	Nil



Sl. No.	Promoter's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
7	Latha Agarwal				
	At the beginning of the year	121730	3.48	121730	3.48
	At the End of the year			121730	3.48
8	Narbada Bai				
	At the beginning of the year	95243	2.72	95243	2.72
	At the End of the year			95243	2.72
9	Meenal Agarwal				
	At the beginning of the year	87034	2.49	87034	2.49
	Decrease of shares due to Inter-se transfer among promoters on 27 <sup>th</sup> April 2015	(87034)	(2.49)	Nil	Nil
	At the End of the year			Nil	Nil
10	Rishikesh Agarwal				
	At the beginning of the year	500	0.01	500	0.01
	Decrease of shares due to Inter-se transfer among promoters on 27 <sup>th</sup> April 2015	(500)	(0.01)	Nil	Nil
	At the End of the year			Nil	Nil

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Westend Developers Limited				
	At the beginning of the year	338000	9.66	338000	9.66
	At the End of the year			338000	9.66
2	Meenal Agarwal				
	At the beginning of the year	87034	2.49	87034	2.49
	Sale on 1 <sup>st</sup> May 2015	(87034)	(2.49)	-	-
	At the End of the year			-	-
3	Jahnvi Sri Dhanya S				
	At the beginning of the year	54600	1.56	54600	1.56
	At the End of the year			54600	1.56
4	Suryalakshmi Cotton Mills Limited				
	At the beginning of the year	26546	0.76	26546	0.76
	At the End of the year			26546	0.76



Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
5	Ramesh Kumar Somani				
	At the beginning of the year	24440	0.70	24440	0.70
	Sale on 27 <sup>th</sup> November 2015	(3621)	(0.10)	20819	0.60
	Sale on 11 <sup>th</sup> December 2015	(6522)	(0.19)	14297	0.41
	Sale on 18 <sup>th</sup> December 2015	(7054)	(0.20)	7243	0.21
	Sale on 25 <sup>th</sup> December 2015	(7243)	(0.21)	-	-
	At the End of the year			-	-
6	Shri Parasram Holdings Pvt. Ltd				
	At the beginning of the year	23115	0.66	23115	0.66
	Purchase on 24 <sup>th</sup> April 2015	250	0.01	23365	0.67
	Sale on 8 <sup>th</sup> May 2015	(250)	(0.01)	23115	0.66
	Sale on 10 <sup>th</sup> July 2015	(13374)	(0.38)	9741	0.28
	Sale on 17 <sup>th</sup> July 2015	(7967)	(0.23)	1774	0.05
	Sale on 31 <sup>st</sup> July 2015	(1)	(0.00)	1773	0.05
	Sale on 7 <sup>th</sup> August 2015	(643)	(0.02)	1130	0.03
	Sale on 13 <sup>th</sup> November 2015	(245)	(0.01)	885	0.03
	Sale on 25 <sup>th</sup> March 2016	(1)	(0.00)	884	0.03
	At the End of the year			884	0.03
7	NileshKumar Manubhai Mehta				
	At the beginning of the year	18854	0.54	18854	0.54
	Sale on 14 <sup>th</sup> August 2015	(1054)	(0.03)	17800	0.51
	Sale on 28 <sup>th</sup> August 2015	(17800)	(0.51)	0	0.00
	Purchase on 9 <sup>th</sup> October 2015	2673	0.08	2673	0.08
	Sale on 30 <sup>th</sup> October 2015	(500)	(0.01)	2173	0.06
	At the End of the year			17805	0.51
8	Baman K Mehta				
	At the beginning of the year	18200	0.52	18200	0.52
	At the End of the year			18200	0.52
9	Manish NileshKumar Mehta				
	At the beginning of the year	17240	0.49	17240	0.49
	Sale on 28 <sup>th</sup> August 2015	(17240)	(0.49)	-	-
	At the End of the year			17240	0.49
10	Vinodchandra Mansukhlal Parekh				
	At the beginning of the year	14048	0.40	14048	0.40
	At the End of the year			14048	0.40



(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Badrinarayan Agarwal , Chairman				
	At the beginning of the year	161524	4.62	161524	4.62
	At the End of the year			161524	4.62
2	Devender Kumar Agarwal Managing Director & CFO				
	At the beginning of the year	441452	12.62	441452	12.62
	Increase of shares due to Inter-se transfer among promoters on 6 <sup>th</sup> July 2015	1043136	29.81	1484588	42.43
	Increase of shares due to Inter-se transfer among promoters on 7 <sup>th</sup> July 2015	1500	0.04	1486088	42.47
	At the End of the year			1486088	42.47
3	Jeetender Kumar Agarwal, Director				
	At the beginning of the year	435034	12.43	435034	12.43
	Increase of shares due to Inter-se transfer among promoters on 27 <sup>th</sup> April 2015	87034	2.48	522068	14.91
	Decrease of shares due to Inter-se transfer among promoters on 6 <sup>th</sup> July 2015	521568	(14.90)	500	0.01
	Decrease of shares due to Inter-se transfer among promoters on 7 <sup>th</sup> July 2015	500	(0.01)	Nil	Nil
	At the End of the year			Nil	Nil
4	Surender Kumar Agarwal Independent Director				
	At the beginning of the year	Nil	Nil	Nil	Nil
	At the end of the year			Nil	Nil
5	Manish Gupta, Independent Director				
	At the beginning of the year	Nil	Nil	Nil	Nil
	At the end of the year			Nil	Nil
6	Sushma Gupta, Independent (Woman) Director				
	At the beginning of the year	130	0.00	130	0.00
	At the end of the year			130	0.00
7	Pooja Bung, Company Secretary (appointed w.e.f. 30.05.2016)				
	At the beginning of the year	Nil	Nil	Nil	Nil
	At the end of the year			Nil	Nil

**NOTE:** Difference in shares & % is due to Inter-se transfer among promoters.





**V. INDEBTEDNESS**

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

₹ in Lakhs

	Secured Loans Excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year:				
i) Principal Amount	3278.04	420.33	-	3698.37
ii) Interest due but not paid	8.06	-	-	8.06
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>3286.10</b>	<b>420.33</b>	<b>-</b>	<b>3706.43</b>
Change in Indebtedness during the financial year:				
• Addition	514.10	-	-	514.10
• Reduction	267.53	11.54	-	279.08
<b>Net Change</b>	<b>246.56</b>	<b>-11.54</b>	<b>-</b>	<b>235.02</b>
Indebtedness at the end of the financial year:				
i) Principal Amount	3524.61	408.79	-	3933.39
ii) Interest due but not paid	51.72	-	-	51.72
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>3576.32</b>	<b>408.79</b>	<b>-</b>	<b>3985.11</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

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

(₹ in Lakhs)

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		Mr. Devender Kumar Agarwal, Managing Director	
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	27.72	27.72
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	3.37	3.37
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission		
	- as % of profit	-	-
	- others, specify...	-	-
5.	Others, please specify Contribution to Provident Fund	2.38	2.38
	<b>Total (A)</b>	<b>33.47</b>	<b>33.47</b>
	Ceiling as per the Act	<b>42.00*</b>	<b>42.00*</b>

\* As per Section II Part II of Schedule V



**B. Remuneration to other Directors:**

(₹ in Lakhs)

Sl. no	Particulars of Remuneration	Name of the Director			Total Amount
1.	Independent Directors	Mr. Surender Kumar Agarwal	Mr. Manish Gupta	Ms. Sushma Gupta	
	• Fee for attending board / committee meetings	0.28	0.31	0.17	<b>0.76</b>
	• Commission	-	-	-	-
	• Others, please specify	-	-	-	-
	<b>Total (1)</b>	<b>0.28</b>	<b>0.31</b>	<b>0.17</b>	<b>0.76</b>
2.	Other Non-Executive Directors	Mr. Badrinarayan Agarwal	Mr. Jeetender Kumar Agarwal		
	• Fee for attending board / committee meetings	-	-	-	-
	• Commission	-	-	-	-
	• Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	<b>0.28</b>	<b>0.31</b>	<b>0.17</b>	<b>0.76</b>
	Total Managerial Remuneration (A+B)				<b>34.23</b>
	Overall Ceiling as per the Act (for Independent Directors)	<b>10.00*</b>	<b>11.00*</b>	<b>5.00*</b>	<b>26.00</b>

\* ₹ 1 lac per each meeting attended

**C. Remuneration to Key Managerial Personnel other than MD/ Manager/WTD:**

(₹ in Lakhs)

Sl. no.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Mr. Devender Kumar Agarwal, CFO	Ms. Shilpa Agarwal, Company Secretary (resigned w.e.f. 20 <sup>th</sup> April, 2016)	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	3.34	<b>3.34</b>
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify...	-	-	-
5.	Others, please specify Contribution to Provident Fund	-	0.17	<b>0.17</b>
	<b>Total</b>		<b>3.51</b>	<b>3.51</b>



**VII. 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			NONE		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			NONE		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			NONE		
Punishment					
Compounding					

**MANAGEMENT DISCUSSION ANALYSIS FORMING PART OF THE ANNUAL REPORT**

**1. INDUSTRY STRUCTURE, DEVELOPMENT AND PRODUCT WISE PERFORMANCE**

The Company is in the business of manufacturing of Cotton, Polyester, polyester-viscose Blended Yarns at Bhongir, Nalgonda District, in the state of Telangana, catering to both domestic and the export markets.

In terms of textile units, Indian Textile & Garment industry is one of the largest in the world. Most of the processing units in India are independent units, with some being integrated with spinning, weaving or knitting units.

**2. INDIAN TEXTILE INDUSTRY**

The textile industry of India has a very complex structure with a large vertical and horizontal spread. The textile policy of country need to recognize this complexity and to prioritize segments which have potential and those which have problems and need focus.

The Indian textiles industry currently account for over 4% of Country’s GDP, 14% of its industrial production and over 12% of exports. With over 35 million workers directly in the industry and another 45 million indirectly in the allied sectors, textile industry continues to be the largest employer in the manufacturing sector of the country of the country. Also, this industry provides employment mostly to uneducated and poor rural workers as well as women.

The Indian textiles industry has the potential to reach US \$ 350 billion (US\$ 200 billion domestic market with 11.5% CAGR and US\$ 150 billion export market with 14% CAGR) from the current size of US\$ 110 billion (domestic market US\$ 70 billion and export market US\$ 40 billion) by 2025 and create 22 million new jobs if right policies are put in place without any delay.

India is well positioned to withstand near-term headwinds and volatility in global financial markets due to reduced external vulnerabilities, a strengthening domestic business cycle, and a supportive policy environment. With reforms gaining momentum in terms of execution, the growth is expected to strengthen to 7.6% in FY2016-17 as per Reserve Bank of India. Progress on infrastructure improvements and government efforts to boost investment are expected to offset the impact of any tightening of borrowing conditions resulting from tighter U.S. monetary policy. Such investment will also lift potential growth over the medium term. Low international energy prices and domestic energy reforms

will ease energy costs for Indian firms that tend to be energy intensive.

*Growth rate projections*

	2015	2016E	2017E
India	7.3	7.5	7.5
China	6.9	6.5	6.2
Japan	0.5	0.5	(0.1)
USA	2.4	2.5	2.5

**3. PRODUCTION OF YARN**

Spinning is a matured textile sub-segment in India. India is a leading spun yarn producer in the world and also the most cost competitive producer. Approximately, 75% of the total spun yarn produced in India is 100% cotton yarn.

Global production of cotton during the crop year (CY) 2015-16 is projected to be 129.9 million bales, which is 6.7% lower than that of the previous year. On the other hand, consumption of the same has also fallen by 3.3% and amounted to ~140.4 million bales. The decline in consumption of cotton has been driven by the decline in the price of crude, which in turn has improved the PSF’s (polyester staple fibre) competition over cotton.

*Polyester Yarn*

There has been considerable fall in polyester price, which has happened on the backdrop of decline in crude oil prices. During the period between April and February 2015-16, polyester price fell by a around 21% to \$1.22/Kg from \$1.55/Kg during the same period last year. However, in spite of fall in price, polyester has managed to emerge as the replacement for cotton in the global market.

**4. MAN-MADE FIBRES (MMF)**

Our textile industry is targeted to grow by 12 percent during the next 10 years and that would mean that the total requirement of fabrics would reach around 20 billion kilos by 2023 whereas our current production is less than 8.5 billion kilos. Growth is cotton production is limited by availability of land and feasibility of increasing yields. Hence, the demand for the Man-made fibers will be several times higher than the existing production in the next 10 years.

If a level playing field is provided to man-made fibers in terms of taxation and policy support, production and



consumption scenario will gradually change toward the global pattern facilitating the realization of the vast untapped potential in MMF based textile products for export market as well as domestic market.

Global Shift in Consumption of Man-Made Fiber from Cotton Fiber: In 1980, Polyester demand was only 5.2 Million tons globally and by 2000, it had reached 19.2 million tons. In 2014, demand is put at 46.1 million tons. Looking at the period from 1980-2014, total fiber demand growth has been 55.7 million tons – 73.4%

## 5. OPPORTUNITIES AND THREATS

### 5.1 Opportunities:

**Rising disposable income:** Rising disposable incomes and evolving lifestyles of India's prospering urban consumer, are broadening their clothing needs. Today, Indians are more inclined to buy apparels for a specific purpose, than consumers in other markets.

**Growing exports:** India has overtaken Germany and Italy to emerge as the world's second largest textile exporter but lags behind China, whose exports are nearly seven times higher. This presents a huge opportunity for the industry in the coming years.

**High industrial growth:** Average yearly growth rate for the Indian textile industry ranges around 6-8%. With production costs getting higher in China, it is quite likely for the international players to move into India for meeting their demands. This will allow the industry to grow further in the near future.

**Foreign Direct Investment (FDI):** The Indian government has positioned the textile industry to be one of the important manufacturing sectors that would lead the country in its quest to become a manufacturing hub. In order to improve the functions and operations of the industry and to ensure industrial growth, the government has allowed 100% FDI in the textile sector. In fact, India's FDI policies are the most liberal and transparent as compared to that of other emerging nations.

### 5.2 Threats:

Firms in textiles sector are facing following problems in adding capacity due to:

- Non-Availability of Adequate raw materials in terms of quantity and quality and at attractive prices

- Manufacturing Competitiveness across the textile Value Chain
- Lack of Infrastructure
- Shortage of skilled manpower and labour related issues
- Competition
- Uncertainty in market conditions
- Low export demand and uncertainty of economic environment
- Low domestic demand
- Competition from imports
- High financial charges

## 6. RISKS AND CONCERNS:

- Economic slowdown  
Textile as a product is highly dependent on macro-economic scenario of the countries across the world. Any slowdown in the economy might have a direct impact on the operations of the Company.
- Sharp wage Increase and High energy Cost  
The Sharp increase in wages in most of the states by more than 20% and high energy cost, cross subsidies, cess and taxes adding additional 20% to energy cost.
- Appreciation in US Dollar  
The US dollar has strengthened continuously against the India Rupee other Currencies, due to the turmoil in the China market and recession in the European market. Due to a demand recession across the globe, increasing price in Indian markets has become extremely difficult.

## 7. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an adequate internal control system commensurate with the size and complexity of the organization. The Company has undertaken a comprehensive review of all internal control systems to take care of the needs of the expanding size of the Company and also upgraded the IT support systems. A system of internal audit to meet the statutory requirement as well as to ensure proper implementation of management and accounting controls is in place. The Audit Committee periodically reviews the adequacy of the internal audit functions.

## 8. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED:

There are no material developments in the Human Resources area. The industrial relations have been



generally satisfactory. The Company entered into long-term wage agreements for a period of 4 years with workers' union. The Company constantly reviews the man power requirements and has a properly equipped Department to take care of the requirements. The total number of people employed by the Company as on 31.03.2016 was 392.

9. **DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**

The total Revenue for the year 2015-16 was ₹ 8532.99 lakhs and incurred loss of ₹ 896.74 lakhs.

**NOTE:**

1. Readers are advised to kindly note that the above discussion contains statements about risks, concerns, opportunities, etc., which are valid only at the time of making the statements. A variety of factors known / unknown, expected or otherwise may influence the financial results. These statements are not expected to be updated or revised to take care of any changes in the underlying presumptions.
2. Readers may therefore appreciate the context in which these statements are made before making use of the same.



**CORPORATE GOVERNANCE REPORT**
**1. BRIEF STATEMENT ON COMPANY’S PHILOSOPHY ON CODE OF GOVERNANCE**

Aananda Lakshmi’s corporate culture has meant working always pro-actively to meet the expectations of its customers, shareholders, employees, business associates, the society at large and in complying with the dictates of the regulatory frame work both in letter and spirit. The Company believes Corporate Governance is an effective instrument for realisation of this corporate aim and accordingly endeavors to function with integrity in a transparent environment.

**2. BOARD OF DIRECTORS**
**a) Composition and provisions as to Board and Committees:**

Your Company’s existing Board comprises of 6 (Six) Directors. Of these, 3 (three) are Promoter Directors and 3 (three) are Independent Directors. The Chairman is a Non-Executive Promoter Director. The details of the Directors with regard to outside directorships, committee positions are as follows:

Name of the Director	Category	No. of other Directorships as on 31.03.2016	No. of membership(s) of Board Committees* in other companies as on 31.03.2016	No. of Chairmanship(s) of Board Committees* in other Companies as on 31.03.2016	No. of Shares held
Badrinarayan Agarwal DIN: 00042123	Chairman (Promoter)	4	-	-	161524
Devender Kumar Agarwal DIN: 00042156	Managing Director (Promoter)	1	-	-	1486088
Jeetender Kumar Agarwal DIN: 00041946	Director (Promoter)	4	2	-	-
Surender Kumar Agarwal DIN: 00281576	Independent Director	5	4	4	-
Manish Gupta DIN: 00526638	Independent Director	5	1	-	-
Sushma Gupta DIN: 07147330	Independent (woman) Director	2	-	-	130

\* Memberships/Chairmanships of only Audit Committees and Stakeholders’ Relationship Committees in all public limited companies (excluding Aananda Lakshmi Spinning Mills Limited) have been considered

**b) Attendance of each Director at the Board of Directors Meeting and the last Annual General Meeting:**

Name of the Director	No. of Board meetings held from 01.04.2015 to 31.03.2016	No. of Board meetings attended from 01.04.2015 to 31.03.2016	Attendance at last AGM (29.09.2015)
Badrinarayan Agarwal	5	5	Yes
Devender Kumar Agarwal	5	5	Yes
Jeetender Kumar Agarwal	5	5	Yes
Surender Kumar Agarwal	5	4	Yes
Manish Gupta	5	5	Yes
Sushma Gupta	5	5	Yes

c) **No of Board of Director Meetings held, dates on which meetings were held:** During the financial year ended 31<sup>st</sup> March 2016, Five (5) Board Meetings were held on 16.05.2015, 13.08.2015, 29.10.2015, 09.11.2015 and 13.02.2016.

**d) Disclosure of relationships between directors inter-se:**

Except for Sir Badrinarayan Agarwal, Sri Devender Kumar Agarwal and Sir Jeetender Kumar Agarwal being father and son, there is no inter-se relationship between other Board Members.

**e) Details of Familiarization Programme imparted to Independent Directors:**

The Company has formulated a familiarization program for Independent Directors to provide insights into the Company's manufacturing, marketing, finance and other important aspects to enable the Independent Directors to understand its business in depth and contribute significantly to the Company. The Company Secretary briefs the Director about their legal and regulatory responsibilities as a Director. The details of such program are available in the Company's website ([www.aanandalakshmi.com](http://www.aanandalakshmi.com)).

**f) Re-appointment of Directors:**

Particulars of directors being re-appointed are provided in the notice of the Annual General Meeting.

**3. AUDIT COMMITTEE**
**a) Composition, name of members and Chairperson**

- |                               |   |                                |
|-------------------------------|---|--------------------------------|
| 1. Sri Surender Kumar Agarwal | – | Chairman, Independent Director |
| 2. Sri Manish Gupta           | – | Member, Independent Director   |
| 3. Sri Devender Kumar Agarwal | – | Member, Executive Director     |

**b) Meetings and attendance during the year**

During the financial year ended March 31, 2016 – Four (4) Audit Committee Meetings were held on 16.05.2015, 13.08.2015, 09.11.2015 and 13.02.2016.

Name	No. of meetings attended
Sri Surender Kumar Agarwal	4
Sri Manish Gupta	4
Sri Devender Kumar Agarwal	4

**c) Brief Description of Terms of reference**

The audit committee shall mandatorily review the following information:

- (1) Oversight of Company's financial reporting process and disclosure of financial information;
- (2) Review of financial statements before submission to Board;
- (3) Review of adequacy of internal control systems and internal audit functions;
- (4) Review of Company's financial and risk management policies; and
- (5) Adequacy of internal financial control system in place and operating effectiveness of such controls.

**4. NOMINATION AND REMUNERATION COMMITTEE**
**a) Composition, Name of members and Chairperson**

- |                               |   |                                |
|-------------------------------|---|--------------------------------|
| 1. Sri Surender Kumar Agarwal | – | Chairman, Independent Director |
| 2. Sri Manish Gupta           | – | Member, Independent Director   |
| 3. Sri Badrinarayan Agarwal   | – | Member, Non-Executive Director |

**b) Meetings and attendance during the year**

During the financial year ended March 31, 2016 – Three (3) Nomination & Remuneration Committee Meetings were held on 16.05.2015, 09.11.2015 and 13.02.2016.

Name	No. of meetings attended
Sri Surender Kumar Agarwal	3
Sri Manish Gupta	3
Sri Badrinarayan Agarwal	3



c) **Brief description of terms of reference**

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of Independent Directors and the Board;
3. Devising a policy on Board diversity;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal; and
5. To ensure that the level and composition of remuneration involves a balance reflecting short and long term performance objectives appropriate to the working of the Company and its goals is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully.

d) **Performance Evaluation Criteria for Independent Directors**

The Board adopted a formal performance evaluation policy for evaluating the performance of the Independent Directors. The exercise was carried out through a structured evaluation process covering various aspects such as attendance at meetings of Board and its committees, contribution at the meetings, independent judgement, experience & competencies, performance of specific duties & obligations, etc. The evaluation of the Independent Directors was carried out by the entire Board excluding the Director being evaluated.

The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Independent Directors.

**5. REMUNERATION OF DIRECTORS**

- (a) **All pecuniary relationship or transactions of the non-executive directors vis-à-vis the listed entity** – The Non-executive Directors do not have any pecuniary relationship or transactions vis-à-vis the listed entity except for receiving sitting fees for attending meetings of the Board and Committees.
- (b) **Criteria of making payments to non-executive directors** – Criteria of making payments to non-executive Directors has been disclosed in the Remuneration Policy of the Company hosted on its website. The same may be accessed at [www.aanandalakshmi.com](http://www.aanandalakshmi.com)
- (c) **Disclosures with respect to remuneration:**
  - (i) All elements of remuneration package of individual directors summarized under major groups -

(₹ in Lakhs)

Sl. No.	Name of the Director	Salary	Perquisites	Sitting fees paid	Commission	Total
1	Badrinarayan Agarwal	-	-	-	-	-
2	Devender Kumar Agarwal	27.72	5.75	-	-	33.47
3	Jeetender Kumar Agarwal	-	-	-	-	-
4	Surender Kumar Agarwal	-	-	0.28	-	0.28
5	Manish Gupta	-	-	0.31	-	0.31
6	Sushma Gupta	-	-	0.17	-	0.17

- (ii) **Details of fixed component and performance linked incentives, along with the performance criteria** – The Company does not have any performance linked incentive for the Executive Directors. The appointments are made for a period of three years on the terms and conditions in the respective resolution passed by the Members in the General Meetings.
- (iii) Service contracts, notice period, severance fees – Nil
- (iv) Stock option details - The Company does not have any stock option plans at present.

**6. STAKEHOLDERS' RELATIONSHIP COMMITTEE**

- a. Name of Non-Executive Director heading the Committee:  
Sri Manish Gupta
- b. Name and designation of Compliance Officer:  
Ms. Pooja Bung, Company Secretary
- c. Number of Shareholders Complaints received so far:  
No. of Complaints received for the 4th Quarter - NIL  
No. of Complaints received for the Year ended 31st March 2016 – 2
- d. Number not solved to the satisfaction of shareholders: NIL
- e. Number of pending complaints : NIL

**7. GENERAL BODY MEETINGS**

- a) **Location and time, where last three AGMs held:**

Financial Year	Date	Venue	Time
2014-2015	29/09/2015	Gayatri Gardens, Survey No.26, Sikh Village, Near Diamond Point Hotel, Secunderabad - 500 003	12.00 Noon
2013-2014	30/09/2014	Gayatri Gardens, Survey No.26, Sikh Village, Near Diamond Point Hotel, Secunderabad - 500 003	12.00 Noon
2012-13		N.A.	

- b) **Special Resolutions passed in the previous AGM:**

At the AGM held on 29.09.2015, the following special resolutions were passed:

1. To maintain register of members and other related books at a place other than the registered office of the Company.
2. Authorisation to the Board to create mortgage and charge over Company's movable and immovable properties in favor of Banks and Institutions.

At the AGM held on 30.09.2014, the following special resolutions were passed:

1. Appointment of Sri Devender Kumar Agarwal as Managing Director for a period of 3 years
2. Adoption of new Articles of Association in substitution of old
3. Sanction of Borrowing limits upto ₹ 200 crores under Section 180(1)(c) of the Companies Act, 2013
4. Authorisation to the Board to create mortgage and charge over Company's movable and immovable properties in favor of Banks and Institutions.
5. Approval for related party transaction with Suryavanshi Industries Limited upto a value of ₹ 200 crores during a financial year.

- c) **Whether Special resolutions were put through postal ballot during the financial year 2014-15, details of voting pattern: Nil**
- d) **None of the businesses proposed to be transacted at the ensuing Annual General Meeting require passing a resolution through postal ballot.**

Provisions of Companies Act, 2013 read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding passing of resolutions through postal ballot shall be complied with whenever necessary.

**8. MEANS OF COMMUNICATION**

- a. Quarterly results & website - The Company's quarterly financial results are informed to BSE Limited and also uploaded on the Company's website [www.aanandalakshmi.com](http://www.aanandalakshmi.com)



- b. Newspapers wherein results are normally published - The results are usually published in Business Standard and Nava Telangana.
- c. Display of official news releases and the presentations made to institutional investors or to the analysts - The website shall be used for this purpose, when the occasion arises.

**9. GENERAL SHAREHOLDER INFORMATION**

**a) AGM – Date, time and Venue:**

Day, Date : Friday, 30.09.2016  
 Time : 12.00 noon  
 Venue : Gayatri Gardens, Survey No.26, Sikh Village,  
 Near Diamond Point Hotel, Secunderabad-500 003

- b) Financial Year** : 1<sup>st</sup> April to 31<sup>st</sup> March of the following year
- c) Date of Book closure** : 24<sup>th</sup> September, 2016 to 30<sup>th</sup> September, 2016 (both days inclusive)
- d) Dividend payment date** : N.A.
- e) Listing on Stock Exchanges** :  
 Name of Stock Exchange : BSE Limited  
 Address : P.J.Towers, Dalal Street, Mumbai – 400001  
 Listing Fees : The Company has paid annual listing fees to the Stock Exchange.
- f) Stock code** : 539096
- g) Market price data & performance in comparison to broad-base indices i.e., SENSEX:**

Month	BSE Limited			
	Share Price		SENSEX	
	High	Low	High	Low
April, 2015	15.48	10.02	29,094.61	26,897.54
May, 2015	19.50	10.65	28,071.16	26,423.99
June, 2015	10.15	8.00	27,968.75	26,307.07
July, 2015	9.76	7.75	28,578.33	27,416.39
August, 2015	12.60	9.95	28,417.59	25,298.42
September, 2015	11.50	9.95	26,471.82	24,833.54
October, 2015	11.55	9.46	27,618.14	26,168.71
November, 2015	10.45	7.71	26,824.30	25,451.42
December, 2015	9.63	5.88	26,256.42	24,867.73
January, 2016	9.92	8.12	26,197.27	23,839.76
February, 2016	8.12	7.34	25,002.32	22,494.61
March, 2016	7.30	4.77	25,479.62	23,133.18

- h) Performance in comparison to broad-based indices such as BSE Sensex, CRISIL Index etc -NA**
- i) Securities are suspended from trading: Nil**
- j) Registrar & Transfer Agent:**  
 Karvy Computershare Private Limited  
 Karvy Selenium Tower B, Plot No 31 & 32, Gachibowli, Financial District, Nanakramguda,  
 Serilingampally, Hyderabad – 500032  
 Tel No. 040-67161606, Fax No. 040-23420814  
 e-mail: einward@karvy.com Website: www.karvycomputershare.com

**k) Share transfer system:**

Shares sent for transfer in physical form are registered and returned by our Registrar and Share Transfer Agent in 15 days of receipt of the documents, provided the documents are found to be in order. Shares under objection are returned within two weeks.

**l) Distribution of shareholding:**

Shareholding pattern as on 31.03.2016

S. No.	Particulars	No. of shares	% of Holding
(A)	Shareholding of Promoter and Promoter Group:		
1	Indian	2053051	58.67
2	Foreign	-	-
	<b>Total Shareholding of Promoter and Promoter Group</b>	<b>2053051</b>	<b>58.67</b>
(B)	Public Shareholding:		
1	Institutions	480	0.01
2	Non-Institutions	1445739	41.32
	<b>Total Public Shareholding</b>	<b>1446219</b>	<b>41.33</b>
(C)	Shares held by Custodians and against which Depository Receipts have been issued		
1	Promoter and Promoter Group	-	-
2	Public	-	-
	<b>Total (A+B+C)</b>	<b>3499270</b>	<b>100.00</b>

Distribution of shareholding as on 31.03.2016

Category	Holders		Amount	
	Number	% to total	In ₹	% to total
upto 5000	6370	94.95	3462280.00	9.89
5001 - 10000	145	2.16	984370.00	2.81
10001 - 20000	97	1.45	1373520.00	3.93
20001 - 30000	31	0.46	759710.00	2.17
30001 - 40000	17	0.25	594880.00	1.70
40001 - 50000	14	0.21	629310.00	1.80
50001 - 100000	18	0.27	1177770.00	3.37
100001 & ABOVE	17	0.25	26010860.00	74.33
<b>TOTAL</b>	<b>6709</b>	<b>100.00</b>	<b>34992700.00</b>	<b>100.00</b>

**m) Dematerialisation of shares and liquidity**

The Company's shares are available for dematerialisation on both the Depositories i.e., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). 3036029 shares amounting to 86.76% of the paid-up capital have been dematerialised by investors as on 31st March, 2016.



ISIN: INE197R01010

Address of Registrar for Dematerialisation of Shares:

Karvy Computershare Private Limited

Karvy Selenium Tower B, Plot No 31 & 32, Gachibowli, Financial District,

Nanakramguda, Serilingampally, Hyderabad – 500032

Tel No. 040-67161606, Fax No. 040-23420814

e-mail: einward@karvy.com Website: www.karvycomputershare.com

**n) Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity.**

Not Applicable as the Company has not issued any of the above instruments.

**o) Commodity price risk or foreign exchange risk and hedging activities – Not Applicable**

**p) Plant Locations**

**Spinning Division**

Bhongir, Nalgonda district, Telengana State.

**q) Address for correspondence:**

- i. For transfer / dematerialisation of share, change of address of members and other queries relating to the shares of the Company:

M/s. Karvy Computershare Private Limited

Karvy Selenium Tower B, Plot No 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500032

Tel No. 040-67161606, Fax No. 040-23420814

e-mail: einward@karvy.com Website: www.karvycomputershare.com

- ii. Any queries relating to annual report, etc.

The Company Secretary,

Aananda Lakshmi Spinning Mills Limited,

6th Floor, Surya Towers, 105, S.P. Road, Secunderabad – 500 003.

Phone No(s) : 040 - 30512700, Fax No: 040 - 30512725

Email ID: info@aanandalakshmi.com

**10. OTHER DISCLOSURES**

**a. Disclosures on materially significant related party transactions that may have potential conflict with the interests of Company at large.**

During the period under review, the Company had not entered into any material transaction with any of its related parties. None of the transactions with any of related parties were in conflict with the Company's interest. Attention of members is drawn to the disclosure of transactions with related parties set out in Note No. 29 of Audited Financial Statements, forming part of the Annual Report.

All related party transactions are negotiated on an arm's length basis in the ordinary course of business, and are intended to further the Company's interests.

Omnibus approval was granted by the Audit Committee for transactions entered with related parties for the financial year 2015-16 and the same was reviewed/cleared by the Audit Committee at regular intervals.

The Policy on the Related Party Transaction is hosted on the company's website - www.aanandalakshmi.com

**b. Details of non-compliance by the company, penalties, strictures imposed on the company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years. Nil**





**c. Whistle Blower policy:**

The Company promotes ethical behaviour in all its business activities and has put in place a mechanism for reporting illegal or unethical behaviour. The Company has a Vigil mechanism/Whistle blower policy under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct.

The reportable matters may be disclosed to the Compliance Officer who operates under the supervision of the Audit Committee. Employees may also report to the Chairman of the Audit Committee. During the year under review, no employee was denied access to the Audit Committee.

**d. Details of compliance with mandatory requirements and adoption of non-mandatory requirements.**

**Mandatory requirements:** All complied with.

**Non-mandatory requirements:**

- a. Audit qualifications: The Company is in the regime of unqualified financial statements.
- b. Separate posts of Chairman and Managing Director: The Company has appointed separate persons to the post of Chairman and Managing Director.
- c. Reporting of Internal Auditor: The Internal Auditor directly reports to the Audit Committee.
- d. **Web link where policy for determining 'material' subsidiaries is disclosed** – Not Applicable as the Company has no subsidiaries
- e. **Web link where policy on dealing with related party transactions is disclosed** - [www.aanandalakshmi.com](http://www.aanandalakshmi.com)
- f. **Disclosure of commodity price risks and commodity hedging activities** – Nil

**11. Non-compliance of any requirement of corporate governance report of sub- paras (2) to (10) above, with reasons thereof:** Not Applicable as all requirements have been complied with.

**12. The extent to which the discretionary requirements as specified in Part E of Schedule II have been adopted are disclosed under Para 10(d) of Corporate Governance Report.**

**13.** The Company has complied with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as were applicable.

The above report has been approved by the Board of Directors in their meeting held on 30.05.2016.

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**DECLARATION**

As provided under Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I, Devender Kumar Agarwal, Managing Director of the Company hereby declare that all members of the Board of Directors and Senior Management Personnel have affirmed compliance with Aananda Lakshmi Spinning Mills Limited Code of Conduct for the year ended March 31, 2016.

By order of the Board  
For **Aananda Lakshmi Spinning Mills Limited**

Place : Secunderabad  
Date : 30.05.2016

**Devender Kumar Agarwal**  
Managing Director

**NOTE:** Disclosures with respect to Demat suspense account/unclaimed suspense account have not been given as there are no shares in demat suspense account/unclaimed suspense account



**CEO/CFO CERTIFICATE UNDER PART B OF SCHEDULE II OF SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015**

To  
The Board of Directors  
Aananda Lakshmi Spinning Mills Limited

We hereby certify that:

- A. We have reviewed the financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  2. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and they have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee:
1. significant changes in internal control over financial reporting during the year;
  2. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  3. instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

For **Aananda Lakshmi Spinning Mills Limited**

Place : Secunderabad  
Date : 30.05.2016

**Devender Kumar Agarwal**  
Managing Director & CFO



## AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the members of  
Aananda Lakshmi Spinning Mills Limited,  
Secunderabad.

We have examined the compliance of conditions of Corporate Governance by **AANANDA LAKSHMI SPINNING MILLS LIMITED**, Secunderabad, for the year ended on 31st March, 2016, as stipulated in Securities and Exchange Board of India (Listing obligations and Disclosure requirements) Regulations, 2015 as per the listing agreement entered into by the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance of the conditions of the Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

**For Brahmayya & Co.,**  
Chartered Accountants

Place : Hyderabad  
Date :30.05.2016

**K.SHRAVAN**  
Partner  
(Membership No. 215798)



## INDEPENDENT AUDITOR'S REPORT

**TO THE MEMBERS OF AANANDA LAKSHMI SPINNING MILLS LIMITED,  
SECUNDERABAD.**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of AANANDA LAKSHMI SPINNING MILLS LIMITED, ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

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 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 of 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**

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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. 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.

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, of the state of affairs of the Company as at 31st March, 2016, and its Loss and its cash flows for the year ended on that date.

### **Emphasis of Matter:**

We draw attention to Note No. 33 to the financial statements relating to non-provision of interest for delay in payments to MSME suppliers. Our opinion is not qualified in respect of this matter.

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

- As required by the Companies (Auditor's Report) Order, 2016 ("the Order") 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.



2. 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 aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect of adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 24 (b), (c), (d) & (e) of financial statements.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

for **BRAHMAYYA & CO.**  
Chartered Accountants  
Firm's Regn No. 000513S

Place: Hyderabad  
Date : 30.05.2016

**(K.SHRAVAN)**  
Partner  
Membership No. 215798



## Annexure - A to the Auditor's Report:

The Annexure referred to in Para 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date, to the members of AANANDA LAKSHMI SPINNING MILLS LIMITED, SECUNDERABAD, for the year ended March 31, 2016.,

1. a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
b. As explained to us, the management has physically verified the fixed assets during the year and there is a regular programme of physical verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of the assets. No discrepancies were noticed on such verification.  
c. According to the information and explanation given to us and on the basis of our examination of the records of the Company, the immovable properties have been transferred to Aananda Lakshmi Spinning Mills Ltd (resulting company 1) as per the scheme of demerger approved by Hon'ble High Court at Hyderabad.
2. As explained to us, the inventories have been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on physical verification between the physical stocks and book records were not material.
3. a. During the year, the Company has not granted any loans, secured or unsecured to Companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.  
b. In view of our comments in para (a) above, Clause (III) (a), (b) and (c) of paragraph 3 of the aforesaid order are not applicable to the Company.
4. In our opinion and according to the information and explanation given to us, the Company has not advanced any loan to any Director and no investments were made during the year as referred to in sections 185 and 186 of the Act. Therefore, the provisions of Paragraph 3(iv) of the Companies (Auditor's Report) Order 2016 are not applicable to the Company.
5. The Company has not accepted any deposits from the public. Hence the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013, and the rules framed there under, do not apply to this Company.
6. We have broadly reviewed the cost records maintained by the Company pursuant to sub-section (1) of section 148 of the Companies Act, 2013 and are of the opinion that prime facie the prescribed accounts and records have been made and maintained. We have however not made a detailed examination of the cost records with a view to determine whether they are accurate or Complete.
7. a. According to the records, the company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, Income-tax, Sales-tax, Service tax, Duty of customs, Duty of excise, Value added tax, Cess and all other statutory dues with the appropriate authorities. According to the information and explanations given to us, there are no arrears of outstanding statutory dues as at the last day of the financial year for a period more than six months from the date they became payable, except Interest free Sales tax loan of Rs. 29.45 lakhs which is due for repayment.  
b. According to the records of the Company and the information and explanations given to us, the dues of Sales tax, Income tax, Custom Duty, Wealth Tax, Service Tax, Excise Duty, Cess, which have not been deposited on account of dispute are as follows:

Nature of the Statute	Nature of Dues	Amount (Rs in Lakhs)	Period to which the amount relates (Financial year)	Forum where dispute is pending
Andhra Pradesh General Sales Tax (APGST) Act, 1957	Sales Tax dues	3.25	2001-2002	Hon'ble High Court, Hyderabad
Andhra Pradesh General Sales Tax (APGST) Act, 1957 (Case filed by Bharat Petroleum Corporation Ltd)	Sales Tax dues	40.28	1997-1998	1 Addl. Chief Judge, City Civil Court, Secunderabad



8. In our opinion and according to the information and explanations given to us, the Company has not paid the last quarter installments which are due for repayment as on the Balance Sheet date to financial institutions and Banks.

Particulars	Amount of due as at the Balance Sheet date (Rs in Lakhs)	Period of due (days)
<b>Name of Lenders:</b>		
i) Andhra Bank - II	10.00	1 to 30
ii) ICICI Bank	53.70	1 to 60

9. The Company did not raise any money by way of initial public offer or further public offer (including debt instrument) during the year. In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.
10. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Companies (Auditor's Report) Order 2016 is not applicable.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Companies (Auditor's Report) Order 2016 is not applicable.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

for **BRAHMAYYA & CO**  
Chartered Accountants  
Firm's Regn No. 000513S

Place : Hyderabad  
Date : 30.05.2016

(**K.SHRAVAN**)  
Partner  
Membership No. 215798





## **Annexure – B to the Auditor’s Report**

### **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 AANANDA LAKSHMI SPINNING MILLS LIMITED, SECUNDERABAD (“the Company”) as of 31<sup>st</sup> March 2016 in conjunction with our audit of the 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.

#### **Auditor’s 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, 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 aspects.

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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud and error.

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

#### **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 expenditure of the Company are being made only in accordance with authorisations of management and directors of the Company; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorised 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 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 2016, 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 **BRAHMAYYA & CO.**  
Chartered Accountants  
Firm's Regn No. 000513S

Place : Hyderabad  
Date : 30.05.2016

**(K.SHRAVAN)**  
Partner  
Membership No. 215798



**Balance Sheet as at 31st March, 2016**

(Figures in ₹ Lakhs)

Particulars	Note No.	As at 31st March, 2016	As at 31st March, 2015
<b>Equity and Liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	1	349.93	349.93
Reserves and surplus	2	(529.98)	366.76
		<b>(180.05)</b>	<b>716.69</b>
<b>Non-current liabilities</b>			
Long-term borrowings	3	1885.85	1984.07
Long-term provisions	4	86.50	78.18
		<b>1972.35</b>	<b>2062.25</b>
<b>Current liabilities</b>			
Short-term borrowings	5	1724.43	1371.86
Trade payables	6	1009.46	981.09
Other current liabilities	7	747.80	744.46
Short-term provisions	8	6.50	6.91
		<b>3488.19</b>	<b>3104.32</b>
<b>Total</b>		<b>5280.49</b>	<b>5883.26</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Fixed assets	9		
Tangible assets		2641.64	2713.49
Intangible assets		0.13	0.13
Capital work-in-progress		-	6.98
		<b>2641.77</b>	<b>2720.60</b>
Long-term loans and advances	10	213.94	194.38
		<b>2855.71</b>	<b>2914.98</b>
<b>Current assets</b>			
Inventories	11	1521.97	1456.08
Trade receivables	12	413.20	774.76
Cash and cash equivalents	13	20.47	242.00
Short-term loans and advances	14	135.33	146.74
Other current assets	15	333.81	348.70
		<b>2424.78</b>	<b>2968.28</b>
<b>Total</b>		<b>5280.49</b>	<b>5883.26</b>

**Notes on financial statements**

I to 36

The notes referred to above, form an integral part of these financial statements.

per our report of even date

For and on behalf of Board of Directors

For **Brahmayya & Co.**  
Chartered Accountants  
Firms' Registration Number: 0005135

**D.K. Agarwal**  
Managing Director & CFO

**B.N. Agarwal**  
Chairman

**K.Shravan**  
Partner  
Membership Number:215798

**Pooja Bung**  
Company Secretary

**Surender kumar Agarwal**  
Director

Place : Hyderabad  
Date : 30th May, 2016



**Statement of Profit and Loss for the year ended 31st March, 2016**

(Figures in ₹ Lakhs)

Particulars	Note No.	Current Year 31st March, 2016	Previous Year 31st March, 2015
<b>Revenue</b>			
Revenue from operations	16	8507.43	9849.48
Other income	17	25.56	129.50
<b>Total Revenue</b>		<b>8532.99</b>	<b>9978.98</b>
<b>Expenses</b>			
Cost of materials consumed	18	5523.90	6551.54
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	19	177.92	(240.86)
Power and fuel	20	1434.95	1475.37
Employee benefits expense	21	863.25	828.20
Finance costs	22	591.61	422.22
Depreciation and amortization expense		145.33	157.77
Other expenses	23	671.26	769.09
<b>Total expenses</b>		<b>9408.22</b>	<b>9963.33</b>
<b>Profit/(Loss) before Exceptional items and tax</b>		<b>(875.23)</b>	15.65
Exceptional items (Demerger Expenses)		21.51	-
<b>Profit/(Loss) before tax</b>		<b>(896.74)</b>	15.65
Tax expense			
For earlier years			
<b>Profit/(Loss) for the period, after tax</b>		<b>(896.74)</b>	15.65
Earnings per equity share:			
(1) Basic		(25.63)	0.45
(2) Diluted		(25.63)	0.45
Notes on financial statements	I to 36		

The notes referred to above, form an integral part of these financial statements.

per our report of even date

For and on behalf of Board of Directors

For **Brahmayya & Co.**  
Chartered Accountants  
Firms' Registration Number: 000513S

**D.K. Agarwal**  
Managing Director & CFO

**B.N. Agarwal**  
Chairman

**K. Shravan**  
Partner  
Membership Number: 215798

**Pooja Bung**  
Company Secretary

**Surender kumar Agarwal**  
Director

Place : Hyderabad  
Date : 30th May, 2016



**Notes forming part of the financial statement** as at 31st March, 2016

(Figures in ₹ Lakhs)

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	Number	Amount	Number	Amount
<b>I Share Capital :</b>				
<b>Authorised</b>				
Equity Shares of ₹ 10 each	5000000	500.00	5000000	500.00
	5000000	500.00	5000000	500.00
<b>Issued,Subscribed &amp; paid up</b>				
Equity Shares of ₹ 10 each	3499270	349.93	3449270	349.93
	3499270	349.93	3449270	349.93
<b>Total</b>	3499270	349.93	3449270	349.93

(a) Disclosure pursuant to note no. 6(A)(d) Part I of schedule III of the Companies Act,2013

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	Equity shares		Equity shares	
Shares outstanding at the beginning of the year		3499270		3499270
Shares issued during the year		-		-
Shares redeemed / bought back during the year		N.A		N.A
Shares outstanding at the end of the year		3499270		3499270

(b) Disclosure pursuant to Note no. 6(A)(g) of Part I of Schedule III to the Companies Act, 2013 (if more than 5%)

Name of Shareholder	As at 31st March, 2016		As at 31st March, 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Devender Kumar Agarwal	1486088	42.47	441452	12.62
Badrinarayan Agarwal - Family Trust	188466	5.39	188466	5.39
Westend Developers Ltd	338000	9.66	338000	9.66
Jeetender Kumar Agarwal	-	-	435034	12.43
Rajender Kumar Agarwal	-	-	407617	11.65



Notes forming part of the financial statement as at 31st March, 2016

(Figures in ₹ Lakhs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
<b>2 Reserves &amp; Surplus :</b>		
<b>a. Securities Premium Account</b>		
At the commencement of the year	1438.40	1438.40
Closing Balance	1438.40	1438.40
<b>b. State Subsidy</b>		
At the commencement of the year	12.63	12.63
Closing Balance	12.63	12.63
<b>c. Export Allowance Reserve</b>		
At the commencement of the year	5.50	5.50
Closing Balance	5.50	5.50
<b>d. Surplus</b>		
At the commencement of the year	(1089.77)	(1046.71)
Add : Carrying value of assets whose useful life exhausted pursuant to Schedule-II of the Companies Act, 2013.	-	(58.71)
Add : For current year	(896.74)	15.65
Closing Balance	(1986.51)	(1089.77)
<b>Total</b>	<b>(529.98)</b>	366.76
<b>3 Long Term Borrowings :</b>		
<b>Secured</b>		
<b>i. Term loans from banks</b>		
a) ICICI Bank Ltd	-	98.48
b) Andhra Bank -II	137.44	190.47
c) Andhra Bank - Corporate Loan	995.00	979.29
d) State Bank of Hyderabad - Additional Term Loan	395.05	328.13
e) Andhra Bank - Working capital term loan	-	8.30
f) State Bank of Hyderabad - Working capital term loan	-	2.54
	<b>1527.49</b>	1607.21

**NOTES:**

- Term Loans referred at (a) to (d) above are secured by mortgage of fixed assets present and future of the company on first charge pari passu basis and guaranteed by three directors and one relative of directors of the Company.
- Working capital term loans referred at (e) and (f) above are Secured by way of hypothecation of Raw materials, Stock-in-process, finished goods and stores and spares and book debts of the Company and also secured by way of second charge on fixed assets of the company on pari passu basis and guaranteed by three directors and one relative of directors of the Company.



Notes forming part of the financial statement as at 31st March, 2016

(Figures in ₹ Lakhs)

Terms of Repayment

Name of the Bank	Rate of Interest	Quarterly
a) Andhra Bank -II	14.50%	8
b) Andhra Bank - Corporate Loan	14.25%	24
c) State Bank of Hyderabad - Additional Term Loan	14.30%	24

Particulars	As at 31st March, 2016	As at 31st March, 2015
<b>Other loans and advances</b>		
Vehicle purchase loan :		
Kotak Mahindra Bank Ltd	7.84	0.69
	<b>7.84</b>	<b>0.69</b>
Vehicle hire Purchase Loans above are secured by hypothecation of the respective asset and guaranteed by one of the directors of the company		
Terms of Repayment : Monthly instalments		
<b>Unsecured</b>		
Deferred sales tax liability	228.72	257.55
Unsecured Loan from Directors	101.00	100.00
Inter-corporate Deposits	20.79	18.62
	<b>350.51</b>	<b>376.17</b>
<b>Total</b>	<b>1885.85</b>	<b>1984.07</b>

The sales tax deferment liability amounting to ₹ 228.72 lakhs shown under unsecured loans above , is due for repayment as under

Year	Year of Repayment	Amount
2003-04	2017-18	42.08
2004-05	2018-19	17.90
2005-06	2019-20	69.37
2006-07	2020-21	70.82
2007-08	2021-22	14.78
2008-09	2022-23	13.77
		<b>228.72</b>

Particulars	As at 31st March, 2016	As at 31st March, 2015
<b>4 Long Term Provisions :</b>		
Provision for employee benefits		
Gratuity (unfunded)	84.99	76.01
Leave Encashment (unfunded)	1.51	2.17
<b>Total</b>	<b>86.50</b>	<b>78.18</b>





Notes forming part of the financial statement as at 31st March, 2016

(Figures in ₹ Lakhs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
<b>5 Short Term Borrowings :</b>		
<b>Secured</b>		
<b>(a) Loans repayable on demand</b>		
(i) Andhra Bank	1291.65	1003.37
(ii) State Bank of Hyderabad	429.39	357.40
	<b>1721.04</b>	<b>1360.77</b>
I. Working Capital Loans referred above are secured by way of hypothecation of Raw materials, Stock in process, finished goods and stores and spares and book debts of the Company and also secured by way of second charge on fixed assets of the company on pari passu basis and guaranteed by three Directors and one relative of directors of the Company.		
<b>(b) Other loans and advances</b>		
<b>Vehicle Purchase Loan :</b>		
Kotak Mahindra Bank Ltd.	3.39	8.28
Axis Bank	-	2.81
	<b>3.39</b>	<b>11.09</b>
<b>Total</b>	<b>1724.43</b>	<b>1371.86</b>
<b>6 Trade Payables:</b>		
Dues to: Small and Micro Enterprises (Refer to Note No. 33)	66.03	25.34
: Other than Small and Micro Enterprises	943.43	955.75
<b>Total</b>	<b>1009.46</b>	<b>981.09</b>
<b>7 Other Current Liabilities :</b>		
(a) Current maturities of long-term debt		
i. Term loans from banks		
a) ICICI Bank Ltd (erstwhile Bank of Rajasthan Ltd)	136.93	214.92
b) Andhra Bank -II	63.49	40.10
c) Andhra Bank - Corporate Loan	50.00	-
d) State Bank of Hyderabad - Additional Term Loan	21.20	-
e) Andhra Bank - Working capital term loan	0.00	35.80
f) State Bank of Hyderabad - Working capital term loan	4.46	19.24
	<b>276.08</b>	<b>310.06</b>

**Notes forming part of the financial statement** as at 31st March, 2016

(Figures in ₹ Lakhs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
(b) Interest accrued and due	51.72	8.06
(c) Other payables	263.68	273.15
(d) Other payables - Statutory dues	9.06	8.59
(e) Salary & Reimbursements	59.45	73.64
(f) Contribution to PF & ESI	12.10	9.02
(g) Bonus Payable	13.40	8.65
(h) Advances received against sales	4.04	9.13
(i) Sales tax deferment payable	58.27	44.16
<b>Total</b>	<b>471.72</b>	<b>434.40</b>
<b>8 Short Term Provisions :</b>		
<b>Provision for employee benefits</b>		
Gratuity (unfunded)	6.22	6.38
Leave Encashment (unfunded)	0.28	0.53
<b>Total</b>	<b>6.50</b>	<b>6.91</b>

(Figures in ₹ Lakhs)

**Notes forming part of the financial statement as at 31st March, 2016**
**9 Fixed Assets**

Particulars	Gross Block			Accumulated Depreciation / Amortisation			Net Block		
	Balance As at 1 April 2015	Additions	Disposals	Balance as at 31st March 2016	Balance As at 1 April 2015	Depreciation for the year	On disposals	Balance as at 31st March 2016	Balance as at 31st March 2015
<b>a</b>									
<b>Tangible Assets</b>									
Land	1.02	-	-	1.02	-	-	-	1.02	1.02
<b>Buildings :</b>									
Factory Buildings	714.25	-	-	714.25	363.99	20.46	-	329.80	350.26
Non Factory Buildings - Non Resident	131.47	8.90	-	140.37	16.37	2.09	-	121.91	115.10
- Resident	277.71	-	-	277.71	20.02	4.40	-	253.29	257.69
<b>Plant and Equipment :</b>									
Plant And Machinery	5,662.24	42.97	-	5,705.21	3,816.69	96.58	-	1,791.94	1,845.55
Generators	174.00	-	-	174.00	165.30	-	-	8.70	8.70
Testing Equipment	17.74	-	-	17.74	16.78	0.03	-	0.93	0.96
Electrical Installations	265.76	6.56	-	272.32	245.60	1.90	-	24.82	20.16
Canteen Equipment	6.86	-	-	6.86	1.85	0.81	-	4.20	5.01
Workshop Equipment	7.79	-	-	7.79	7.70	-	-	0.09	0.09
Weighting Machines	4.88	-	-	4.88	4.63	0.00	-	0.25	0.25
Water Works	12.49	-	-	12.49	7.75	0.62	-	4.12	4.74
Furniture and Fixtures	41.09	-	-	41.09	21.48	2.12	-	17.49	19.61
Office Equipment	14.66	0.21	-	14.87	13.27	0.38	-	1.22	1.39
Air Conditioners	25.65	-	-	25.65	8.99	1.78	-	14.88	16.66
Vehicles	117.93	14.18	-	132.11	52.74	13.88	-	65.49	65.19
Data Processing	39.63	0.68	-	40.31	38.54	0.28	-	1.49	1.09
<b>Total</b>	<b>7,515.17</b>	<b>73.50</b>	<b>-</b>	<b>7,588.67</b>	<b>4,801.70</b>	<b>145.33</b>	<b>-</b>	<b>2,641.64</b>	<b>2,713.47</b>
<b>b</b>									
<b>Intangible Assets</b>									
Computer software	2.56	-	-	2.56	2.44	-	-	0.13	0.13
<b>Total</b>	<b>2.56</b>	<b>-</b>	<b>-</b>	<b>2.56</b>	<b>2.44</b>	<b>-</b>	<b>-</b>	<b>0.13</b>	<b>0.13</b>
<b>c</b>									
<b>Capital Work In Progress</b>									
<b>Total</b>	<b>6.98</b>	<b>66.53</b>	<b>73.50</b>	<b>0.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00</b>	<b>6.98</b>
<b>Total (a + b + c)</b>	<b>7524.71</b>	<b>140.03</b>	<b>73.50</b>	<b>7591.23</b>	<b>4804.14</b>	<b>145.33</b>	<b>-</b>	<b>2641.77</b>	<b>2720.60</b>
Less: Internal Transfer		73.50	73.50	-				-	-
<b>Total</b>	<b>7524.71</b>	<b>66.53</b>	<b>0.00</b>	<b>7591.23</b>	<b>4804.14</b>	<b>145.33</b>	<b>-</b>	<b>2641.77</b>	<b>2720.60</b>
Previous year figures	<b>7387.98</b>	<b>136.76</b>	<b>0.00</b>	<b>7524.73</b>	<b>4646.38</b>	<b>157.77</b>	<b>-</b>	<b>2720.60</b>	<b>2800.30</b>



**Notes forming part of the financial statement** as at 31st March, 2016

(Figures in ₹ Lakhs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
<b>I0 Long Term Loans and Advances :</b>		
<b>Deposits Recoverable</b>		
(Unsecured considered good)	213.94	194.38
(Electricity and other deposits)		
<b>Total</b>	<b>213.94</b>	<b>194.38</b>
<b>I1 Inventories :</b>		
(Valued and certified by the Management)		
a. Raw Materials	975.11	751.58
(Valued at cost on weighted average basis)		
b. Stores and spares	81.34	61.06
(Valued at cost on weighted average basis)		
c. Finished goods		
(Valued at lower of cost or net realisable value basis)		
Yarn	272.18	466.76
d. Work-in-progress	190.57	171.66
(Valued at lower of cost or net realisable value basis)		
e. Others - Cotton & PV Waste (at realisable value)	2.77	5.02
<b>Total</b>	<b>1521.97</b>	<b>1456.08</b>
<b>Details of Raw Materials :</b>		
Cotton	824.66	669.76
Polyster Staple Fibre	150.45	81.82
<b>Total</b>	<b>975.11</b>	<b>751.58</b>



Notes forming part of the financial statement as at 31st March, 2016

(Figures in ₹ Lakhs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
<b>12 Trade Receivables :</b>		
(Unsecured, considered good)		
Receivables for a period exceeding six months	170.71	130.29
Receivables for a period less than six months	242.49	644.47
<b>Total</b>	<b>413.20</b>	<b>774.76</b>
<b>13 Cash and cash equivalents :</b>		
Cash on hand	2.66	0.92
Balances with Banks		
With Scheduled Banks	17.81	3.98
Balance with Banks against Margin Money / Guarantees	0.00	237.10
<b>Total</b>	<b>20.47</b>	<b>242.00</b>
<b>14 Short-term loans and advances :</b>		
(Unsecured considered good)		
Advances for purchases of Raw Material & Stores	129.43	141.41
Advances to Staff	4.65	4.08
Other Advances	1.25	1.25
<b>Total</b>	<b>135.33</b>	<b>146.74</b>
<b>15 Other Current Assets :</b>		
Balance with Government Department	63.11	22.21
Subsidies Receivable	25.35	21.34
Interest Receivable	14.85	15.58
Export License Receivable	201.97	246.16
Pre-paid Expenses	21.78	19.70
Advance Tax (Net of provision)	6.75	5.11
Miscellaneous Expenses to be Written Off	-	18.60
	<b>333.81</b>	<b>348.70</b>



Notes forming part of the financial statement as at 31st March, 2016

(Figures in ₹ Lakhs)

Particulars	Current Year 31st March, 2016	Previous Year 31st March, 2015
<b>16 Sale of Products :</b>		
<b>(a) Domestic Sales</b>		
Yarn	7992.64	8388.78
Cotton Waste	255.31	260.88
<b>Total</b>	<b>8247.95</b>	<b>8649.66</b>
<b>(b) Export Sales</b>		
Yarn	259.48	1199.82
<b>Total</b>	<b>259.48</b>	<b>1199.82</b>
<b>Grand Total</b>	<b>8507.43</b>	<b>9849.48</b>
<b>17 Other Income :</b>		
Interest Income	17.42	29.66
Gain on foreign currency transactions & translation	-	52.65
Scrap sales	0.63	1.43
Export benefits entitlement	6.76	40.61
Profit on sale of licence	0.00	0.02
Credit Balance and Excess provision Written Back	0.41	5.00
Insurance Claims Received	0.32	-
Prior Period Income	0.02	0.13
<b>Total</b>	<b>25.56</b>	<b>129.50</b>
<b>18 Cost of materials consumed :</b>		
Opening Stocks	751.57	536.51
Add : Purchases	5758.05	6792.03
<b>Total</b>	<b>6509.62</b>	<b>7328.54</b>
Less : Cost of Raw materials sold	10.61	25.42
Less : Closing Stocks	975.11	751.58
<b>Total</b>	<b>5523.90</b>	<b>6551.54</b>
<b>Imported and Indigeneous Raw Materials consumed:</b>		
Imported	-	-
Indigeneous	100.00% 5523.90	100.00% 6551.54
<b>Total</b>	<b>100.00% 5523.90</b>	<b>100.00% 6551.54</b>
<b>Details of Raw Material Consumed :</b>		
Cotton	3590.16	3880.55
Polyester Staple Fibre	1933.74	2670.99
<b>Total</b>	<b>5523.90</b>	<b>6551.54</b>



Notes forming part of the financial statement as at 31st March, 2016

(Figures in ₹ Lakhs)

Particulars	Current Year 31st March, 2016	Previous Year 31st March, 2015
<b>19 Changes in inventories of Finished Goods, work-in-progress and stock-in-trade :</b>		
<b>OPENING STOCKS:</b>		
Yarn	466.76	193.00
Stock-in-Process	171.66	205.30
Cotton waste	5.02	4.28
	<b>643.44</b>	<b>402.58</b>
<b>CLOSING STOCKS:</b>		
Yarn	272.18	466.76
Stock-in-Process	190.57	171.66
Cotton waste	2.77	5.02
	<b>465.52</b>	<b>643.44</b>
<b>(INCREASE)/DECREASE IN STOCKS</b>	<b>177.92</b>	<b>(240.86)</b>
<b>20 Power and fuel :</b>		
Electricity Charges	1434.95	1475.37
<b>Total</b>	<b>1434.95</b>	<b>1475.37</b>
<b>21 Employee Benefits Expense :</b>		
Salaries and incentives	784.89	758.88
Contributions to Provident Fund	34.59	31.92
Gratuity	15.65	6.02
Contributions to Employee State Insurance	13.97	13.89
Staff welfare expenses	14.15	17.49
<b>Total</b>	<b>863.25</b>	<b>828.20</b>
<b>22 Finance Cost :</b>		
Interest expense	544.44	410.23
Other borrowing costs	47.17	11.99
<b>Total</b>	<b>591.61</b>	<b>422.22</b>





**Notes forming part of the financial statement** as at 31st March, 2016

(Figures in ₹ Lakhs)

Particulars	Current Year 31st March, 2016	Previous Year 31st March, 2015
<b>23 Other Expenses :</b>		
<b>Stores Consumption :</b>		
Consumable Stores	42.40	49.26
Packing Material Consumed	136.56	149.38
	<b>178.96</b>	<b>198.64</b>
<b>Payments to the auditor as</b>		
a. auditor	0.69	0.45
b. for taxation matters	0.34	0.22
c. for Certification	0.18	0.17
	<b>1.21</b>	<b>0.84</b>
Rent	-	0.08
Repairs to : Buildings	3.91	2.78
: Machinery	118.34	113.26
: Others	13.51	11.80
Insurance	15.84	13.82
Rates and taxes, excluding, taxes on income	17.82	24.76
Printing and Stationery	3.47	3.92
Postage, Telegrams and Telephones	4.87	4.53
Travelling and Conveyance	17.49	16.22
Managerial Remuneration	31.02	31.25
Directors' Sitting Fees	1.18	0.69
Advertisement	1.35	1.39
Commission on Sales	29.78	31.38
Expenses on Sales	159.88	240.05
Legal & Professional Charges	6.36	4.24
Vehicle Maintenance	17.16	26.05
Bad debts and Debit balance written off	-	0.01
Miscellaneous expenses	48.64	30.96
Loss on foreign currency transactions & translation	0.32	12.04
Prior period items	0.15	0.38
	<b>491.09</b>	<b>569.61</b>
<b>Grand Total</b>	<b>671.26</b>	<b>769.09</b>



Notes forming part of the financial statement as at 31st March, 2016

(Figures in ₹ Lakhs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
<b>24. Contingent Liabilities not provided for</b>		
a) Against Foreign Bills Discounted	-	108.54
b) Demand from Sales Tax Department, Andhra Pradesh in connection with levy of purchase tax on polyester stable fibre from Reliance Industries Limited, levy of tax on work contract receipts and withdrawal of deferment availed by the company for the year 2001-02. AP. Sales Tax Appellate Tribunal set aside the order passed by the Sales Tax Authorities. The Department has challenged the said order before the Hon'ble High Court of Hyderabad and the same is pending.	3.25	3.40
c) Bharat Petroleum Corporation Limited filed a civil suit before Addl. Chief Judge City Civil Court, Secunderabad, against the company for alleged deferential sales tax dues on purchase of HSD and furnace oil made by the company during the financial years 1996-97 & 1997-98.	40.28	40.28
d) During the financial year, Company purchased power from Power Exchange at its Spinning division at Bhongir, Nalgonda District, Telangana. TSSPDCL imposed Cross subsidy to be paid on power drawn from Power Exchange at the rate of ₹ 1.29 per unit. Company took stay from Hon'ble High Court of Telangana to limit Cross Subsidy to ₹ 0.30 per unit. The Company is of the opinion that the liability on account of differential Cross subsidy of ₹ 0.99 per unit on power drawn from power exchange may not arise.	32.56	-
e) M/s.Suryavanshi Textiles Ltd was amalgamated with Suryavanshi Spinning Mills Limited vide scheme of merger sanctioned by Board for Industrial and Financial Reconstruction (BIFR) under the provisions of Sick Industrial Companies (Special Provisions) Act, 1985 with effect from 01-04-2007. The scheme incorporates certain reliefs and concessions for consideration by income tax department including exemption from applicability of MAT u/s. 115JB of the Income Tax Act, 1961 for a period of five years from 01-04-2007. The company is pursuing the matter with the authorities concerned for the said reliefs as per the scheme of merger and liability under MAT u/s 115JB of Income Tax Act 1961 including interest as per assessment orders is ₹ 41 lacs and ₹ 443 lacs for the assessment years 2010-11 and 2011-12 respectively. In the event of the liability being crystallized, the liability shall be shared by Suryavanshi Spinning Mills Limited (Demerged Company), Aananda Lakshmi Spinning Mills Limited (Resulting company - I) and Sheshadri Industries Limited (Resulting Company - II) equally, since the Company Demerged on 01.04.2013 (Appointed Date) as per the Scheme of Arrangement approved by Hon'ble High Court at Hyderabad. However, the relief sought by the company was heard by BIFR and the proceedings are awaited.		



Particulars	As at 31st March, 2016	As at 31st March, 2015
<b>25. Expenditure in Foreign currency during the year on account of :</b>		
Commission on Exports	-	4.39
<b>26. Value of imports calculated on CIF basis in respect of :</b>		
Purchase of Stores & Spares	-	23.77
<b>27. Earnings in Foreign Exchange:</b>		
F O B value of exports	229.25	1058.72
<b>28. Composition of Net Deferred Tax Asset/(Liability) :</b>		
<b>Components of Deferred Tax</b>		
Deferred Tax Asset on account of carry forward Loss	857.60	537.67
Employee Benefits	30.17	27.61
	<b>887.77</b>	565.28
Deferred Tax Liability on account of:		
Depreciation	466.84	460.05
	<b>466.84</b>	460.05
Deferred Tax Asset/(Liability) (Net)	<b>420.93</b>	105.23

Note: The company has not recognised deferred Tax Asset as a matter of prudence.



**Notes forming part of the financial statement** as at 31st March, 2016

(Figures in ₹ Lakhs)

**29. Related party disclosure :**

Related party disclosures as required by AS- 18 are given under

	Name of the Party	Relationship	Name of Transaction	31st March, 2016	31st March, 2015
<b>a.</b>	<b>Transactions during the year</b>				
	<b>Key Management</b>				
	Sri D.K.Agarwal, Managing Director	Key Management	Remuneration	33.47	31.31
			Unsecured loan	1.00	74.92
	Sri B.N.Agarwal, Chairman	Key Management	Unsecured loan	-	8.00
	<b>Relatives</b>				
	Smt.Latha Agarwal	Wife of Sri. D.K.Agarwal	Unsecured loan	-	8.09
	Smt.Narbada Agarwal	Wife of Sri. B.N.Agarwal	Unsecured loan	-	8.99
	<b>Associates</b>				
	M/s. Suryavanshi Spinning Mills Limited	Enterprise in which the Key management personnel and relatives are interested	Sale of Comber noil	186.38	177.05
			Sale of Cotton	11.26	20.87
			Sale of Yarn	-	87.17
			Purchase of Raw Material	20.39	-
	M/s. Sheshadri Industries Limited	Enterprise in which the Key management personnel and relatives are interested	Sale of Yarn	0.01	40.82
			Purchase of Raw Material	-	114.24
			Purchase of Machinery	4.54	-
	M/s. Suryalakshmi Cotton Mills Limited	Enterprise in which the Key management personnel and relatives are interested	Sale of Yarn	15.63	-
			Unsecured loan	-	16.67
<b>b.</b>	<b>Payable as at 31.03.2016</b>				
	M/s. Suryavanshi Spinning Mills Ltd	Enterprise in which the Key management personnel and relatives are interested	Sale of Comber noil	2.41	-
	M/s. Sheshadri Industries Limited	Enterprise in which the Key management personnel and relatives are interested	Purchase of Machinery	5.41	-
	M/s. Suryalakshmi Cotton Mills Limited	Enterprise in which the Key management personnel and relatives are interested	Unsecured loan	20.79	18.62
	Sri D.K.Agarwal, Managing Director	Key Management	Unsecured loan	75.92	74.92
	Sri B.N.Agarwal, Chairman	Key Management	Unsecured loan	8.00	8.00
	Smt.Latha Agarwal	Wife of Sri. D.K.Agarwal	Unsecured loan	8.09	8.09
	Smt.Narbada Agarwal	Wife of Sri. B.N.Agarwal	Unsecured loan	8.99	8.99



**Notes forming part of the financial statement** as at 31st March, 2016

(Figures in ₹ Lakhs)

**30. EMPLOYEE BENEFITS:**

The Company has provided for Gratuity and leave encashment based on actuarial valuation on the basis of projected unit credit method.

The following table summarise the components of the net benefit recognized in the statement of profit and loss and amounts recognized in the balance sheet for Gratuity.

Particulars	Year ended 31.03.2016		Year ended 31.03.2015	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
<b>Profit and Loss account:</b>				
Current service cost	3.89	0.34	3.70	0.13
Interest cost	6.59	0.22	6.58	0.18
Actuarial Gain / loss	5.17	1.21	(4.26)	0.47
Net benefit expense	15.65	1.77	6.02	0.79
<b>Balance Sheet:</b>				
Opening balance of benefit obligations	82.39	2.70	82.21	2.26
Current service cost	3.89	0.34	3.70	0.13
Interest cost	6.59	0.22	6.58	0.18
Actuarial Gain / loss	5.17	1.21	(4.26)	0.47
Benefits paid	(6.84)	(2.67)	(5.84)	(0.34)
Closing balance of benefit obligations	91.20	1.80	82.39	2.70
The principal assumptions used in determining the Gratuity benefits obligation for the Company's plan are as under:				
Discount rate	8%	8%	8%	8%
Attrition Rate	8%	8%	8%	8%
Further salary raise	7.5%	7.5%	7.5%	7.5%
<b>31. Earning Per Share as per accounting standard No. 20 :</b>				
Net profit available for Equity Share Holders			(896.74)	15.65
Weighted average Number of Equity Shares			3499270	3499270
Basic and Diluted Earnings per Share			(25.63)	0.45

**32** During the year 2005-06, the company recognized an income of ₹ 293.58 lakhs being export incentive under the Target Plus Scheme in terms of the then prevailing Foreign Trade Policy. The Govt., of India, Ministry of Commerce vide their Notification No.8 (RE-2006)/ 2004-09 dated 12.06.06 retrospectively reduced the benefit of entitlement from 15% to 5% on the exports effected since 01.04.2005. The company has since received duty free credit entitlement for ₹ 96.42 lakhs @ 5% and for the balance 10%, the Company has contested before the Hon'ble High Court at Mumbai for the retrospective reduction of the export incentive by the Government of India. The High Court has granted an interim stay of the notification and the matter is pending for final orders. Since the issue involved in these appeals is the same transfer petitions were filed by the union of India seeking transfer of all these cases and to be heard along with Hon'ble Supreme Court heard and held that Notification No.8/2006 MANU/DGFT/0109/2006 dt. June, 12 2006 cannot be applied retrospectively and they would be effective only from the dates they were issued consequently own company will be eligible target plus license of ₹ 2.17 Crores. DGFT is yet to issue the detailed modalities for issue of Target plus License.



**Notes forming part of the financial statement** as at 31st March, 2016

(Figures in ₹ Lakhs)

33. The information with regard to Micro, Small and Medium Enterprises has been determined to the extent such parties could be identified on the basis of the information available with the company. Accordingly, the trade payables include Rs.53.34 lakhs due to them for a period exceeding 30 days and the company has not provided any interest for the delay in payments as the company is in the process of settling the dues with the parties amicably.
34. Segment reporting is not applicable since the Company operates in single segment i.e., Textile product
35. Previous year's figures have been regrouped wherever necessary to conform to this year's classification.

**36. Significant Accounting Policies**

**1 Accounting Convention**

The financial statements are prepared under historical cost convention and on an accrual basis in accordance with the generally accepted accounting principles.

**2 Fixed Assets**

Fixed Assets are stated at cost net of depreciation provided in the statements. Cost of acquisition of Fixed Assets is inclusive of all direct and indirect expenditure up to the date of commercial use.

Depreciation is provided on straight line method in accordance with the useful lives prescribed in Schedule II to the companies Act, 2013.

**3 Inventories**

Raw material and Stores and Spares valued at cost on weighted average basis. Stock-in-process and Finished Goods are valued at lower of cost or net realisable value.

**4 Borrowing Cost**

Borrowing costs that are directly attributable to the acquisition of fixed assets are capitalised as part of cost of the asset till the date the asset is ready for commercial use. All other borrowing cost are charge to revenue

**5 Investments**

Investments are stated at cost and diminution in the value, which is permanent in nature, is provided for.

**6 Contingent Liabilities And Provisions**

All Contingent liabilities are indicated by way of a note and will be paid / provided on crystallisation.

**7 Retirement Benefits**

Provident fund contributions is charged to the Statement of Profit and Loss as and when the contributions are due. Gratuity and leave encashment provision is made as per actuarial valuation on the basis of projected unit credit method.

**8 Foreign Exchange Transactions**

Foreign currency transactions are recorded at the rates prevailing on the date of the transaction. Assets and liabilities arising out of foreign exchange transactions are translated at the rate of exchange ruling on the date of balance sheet. and are suitably adjusted to the appropriate revenue/ capital account.

**9 Impairment Of Assets**

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to statement of profit and loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting periods, is reversed if there has been a change in the estimate of recoverable amount.

**10 Provision For Taxation**

Provision for taxation for the year is based on tax liability computed in accordance with relevant tax rates and tax laws as at the Balance Sheet date. Provision for deferred tax is made for all timing differences arising between taxable income and accounting income at rates that have been enacted or substantively enacted as at the Balance Sheet date. Deferred tax assets are recognised only if there is a reasonable certainty that they will be realised and are reviewed for the appropriateness of their respective carrying value at each Balance Sheet date.



**Notes forming part of the financial statement** as at 31st March, 2016

(Figures in ₹ Lakhs)

**11 Revenue recognition**

Sales represents the amount receivable for goods sold. Incentives on export sales are recognised as income on accrual basis

**12 Earning Per Share**

Earning per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

**13 Use Of Estimates**

Preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Differences between the actual results and estimates are recognised in the period in which the results are known/materialised

The notes referred to above, form an integral part of these financial statements.

The notes referred to above, form an integral part of these financial statements.  
per our report of even date

For and on behalf of Board of Directors

For **Brahmayya & Co.**  
Chartered Accountants  
Firms' Registration Number: 000513S

**D.K. Agarwal**  
Managing Director & CFO

**B.N. Agarwal**  
Chairman

**K.Shravan**  
Partner  
Membership Number:215798  
Place : Hyderabad  
Date : 30th May, 2016

**Pooja Bung**  
Company Secretary

**Surender kumar Agarwal**  
Director





**Cash Flow statement for the year ended 31st March, 2016**

(Figures in ₹ Lakhs)

Particulars	for the year ended 31.03.2016	for the year ended 31.03.2015
<b>A. Cash Flow From Operating Activities</b>		
Net Profit/ (loss) before tax	(896.74)	15.65
<b>Adjustments for:</b>		
Finance Charges	544.44	410.23
Depreciation	145.33	157.77
Bad debts and Debit Balances Written Off	-	0.01
Excess Provision & Credit Balance Written Back	(0.41)	(5.00)
Interest Earned	(17.42)	(29.66)
	<b>671.94</b>	<b>533.35</b>
Operating profit before working capital changes	<b>(224.80)</b>	<b>549.00</b>
<b>Adjustments for</b>		
(Increase)/Decrease in Inventories	(65.88)	(446.78)
(Increase)/Decrease Trade Receivables	361.57	43.19
(Increase)/Decrease Long-term loans and advances	(19.53)	-
(Increase)/Decrease Short-term loans and advances	11.41	4.86
(Increase)/Decrease Other current assets	15.81	50.12
Increase/(Decrease) Trade payables	28.37	(427.34)
Increase/(Decrease) Other current liabilities	23.61	0.99
Increase/(Decrease) Short-term provisions	(0.41)	0.09
Increase/(Decrease) Long-term provisions	8.32	0.53
Cash generated from Operations	<b>138.47</b>	<b>(225.34)</b>
Direct taxes paid (Including TDS receivable)	<b>(1.65)</b>	<b>(2.93)</b>
<b>Net Cash flow from Operating Activities ( A )</b>	<b>136.82</b>	<b>(228.27)</b>
<b>B. Cash Flow From Investing Activities</b>		
Acquisition of Fixed Assets (Including Capital Work in progress)	(66.52)	(136.76)
Proceeds from sale of Assets	-	-
Interest Received	18.15	29.78
<b>Net cash used in investing Activities ( B )</b>	<b>(48.37)</b>	<b>(106.98)</b>

**Notes forming part of the financial statement** as at 31st March, 2016

(Figures in ₹ Lakhs)

Particulars	for the year ended 31.03.2016	for the year ended 31.03.2015
<b>C. Cash Flow From Financing Activities:</b>		
Proceeds from Term loans	153.83	1307.42
Repayment of Term loans	(267.53)	(233.40)
Repayment of working capital loans	-	(279.66)
Proceeds of working capital loans	360.26	-
Proceeds from Vehicle Loans	10.54	-
Repayment of Vehicle loans	(11.09)	(19.27)
Proceeds from unsecured loans	(11.55)	111.40
Interest paid	(544.44)	(410.22)
<b>Net Cash used in Financing Activities ( C )</b>	<b>(309.98)</b>	<b>476.27</b>
<b>Net Increase/(Decrease) in cash and cash equivalents (A+B+C)</b>	<b>(221.53)</b>	141.02
Cash/Cash Equivalents at the Beginning of the year	242.00	100.98
Cash/Cash Equivalents at the end of the year	20.47	242.00 (141.02)

The notes referred to above, form an integral part of these financial statements.  
per our report of even date

For and on behalf of Board of Directors

For **Brahmayya & Co.**  
Chartered Accountants  
Firms' Registration Number: 000513S

**D.K. Agarwal**  
Managing Director & CFO

**B.N. Agarwal**  
Chairman

**K.Shravan**  
Partner  
Membership Number:215798

**Pooja Bung**  
Company Secretary

**Surender kumar Agarwal**  
Director

Place : Hyderabad  
Date : 30th May, 2016



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**3rd Annual General Meeting**  
**AANANDA LAKSHMI SPINNING MILLS LIMITED**

Registered Office: 6th Floor, Surya Towers, 105, S.P. Road, Secunderabad – 500003  
Phone: 91-40-30512700, Fax: 91-40-30512725  
Website: www.aanandalakshmi.com, Email: info@aanandalakshmi.com

**CIN: L17121TG2013PLC086564**

**PLEASE COMPLETE THE ATTENDANCE SLIP AND HAND OVER AT THE ENTRANCE OF THE MEETING HALL.**

**ATTENDANCE SLIP**

I / We hereby record my / our presence at the 3rd Annual General Meeting of the Aananda Lakshmi Spinning Mills Ltd held on Friday, 30th September, 2016 at 12.00 Noon at **Gayatri Gardens, Survey No.26, Sikh Village, Near Diamond Point Hotel, Secunderabad - 500003.**

For Physical Holding	For Electronic Form (Demat) NSDL / CDSL		No. of shares
Folio No.	DP ID	CLIENT ID	
NAME OF THE MEMBER / JOINT MEMBER(S) (IN BLOCK CAPITALS):			

Signature of the member/ Joint member(s) / proxy

**3rd Annual General Meeting**

**AANANDA LAKSHMI SPINNING MILLS LIMITED**

Registered Office: 6th Floor, Surya Towers, 105, S.P. Road, Secunderabad – 500003  
Phone: 91-40-30512700, Fax: 91-40-30512725  
Website: www.aanandalakshmi.com, Email: info@aanandalakshmi.com

**CIN: L17121TG2013PLC086564**

**PROXY FORM**

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

Name of the member(s)	
Registered Address	
Email ID	
Folio No./ Client ID	
DP ID	

I/We, being the member(s) of shares of the above named company, hereby appoint

1. Name :  
Address :  
Email ID :  
Signature : or failing him
2. Name :  
Address :  
Email ID :  
Signature : or failing him
3. Name :  
Address :  
Email ID :  
Signature :



as my/ our proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the Annual General Meeting of the company, to be held on Friday, 30th September, 2016 at 12.00 noon at **Gayatri Gardens, Survey No. 26, Sikh Village, Near Diamond Point Hotel, Secunderabad - 500003** or at any adjournment thereof in respect of such resolutions as are indicated below::

Sl. No.	Particulars	FOR	AGAINST
	<b>Ordinary Business</b>		
1	To receive, consider and adopt the Audited Financial Statements for the financial year ended 31st March, 2016 and the Reports of the Directors and Auditors thereon		
2	To appoint a director in place of Sri Jeetender Kumar Agarwal, who retires by rotation and, being eligible offers himself for re-appointment		
3	To appoint auditors and fix their remuneration		
	<b>Special Business</b>		
4	To ratify the remuneration of cost auditor for FY 2016-17		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2016

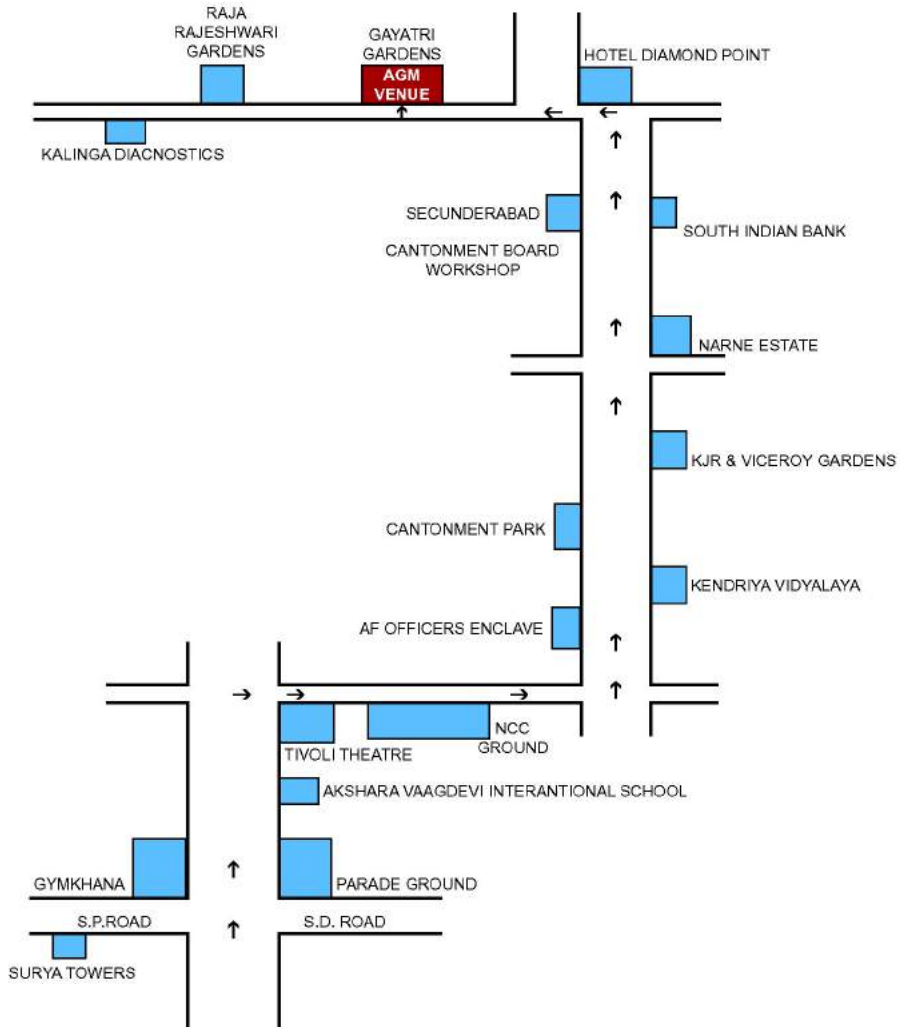
Signature of Shareholder

Signature of Proxyholder(s)

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.

## ROUTE MAP TO AGM VENUE



Printed Matter



*If undelivered, please return to:*

**AANANDA LAKSHMI  
SPINNING MILLS LIMITED**

Surya Towers, 6th Floor, 105, S.P. Road, Secunderabad-500 003, Telangana, India.

Ph No. 91-40-30512700, Fax: 91-40-30512725

website: [www.aanandalakshmi.com](http://www.aanandalakshmi.com), Email: [info@aanandalakshmi.com](mailto:info@aanandalakshmi.com)

CIN: L17121TG2013PLC086564