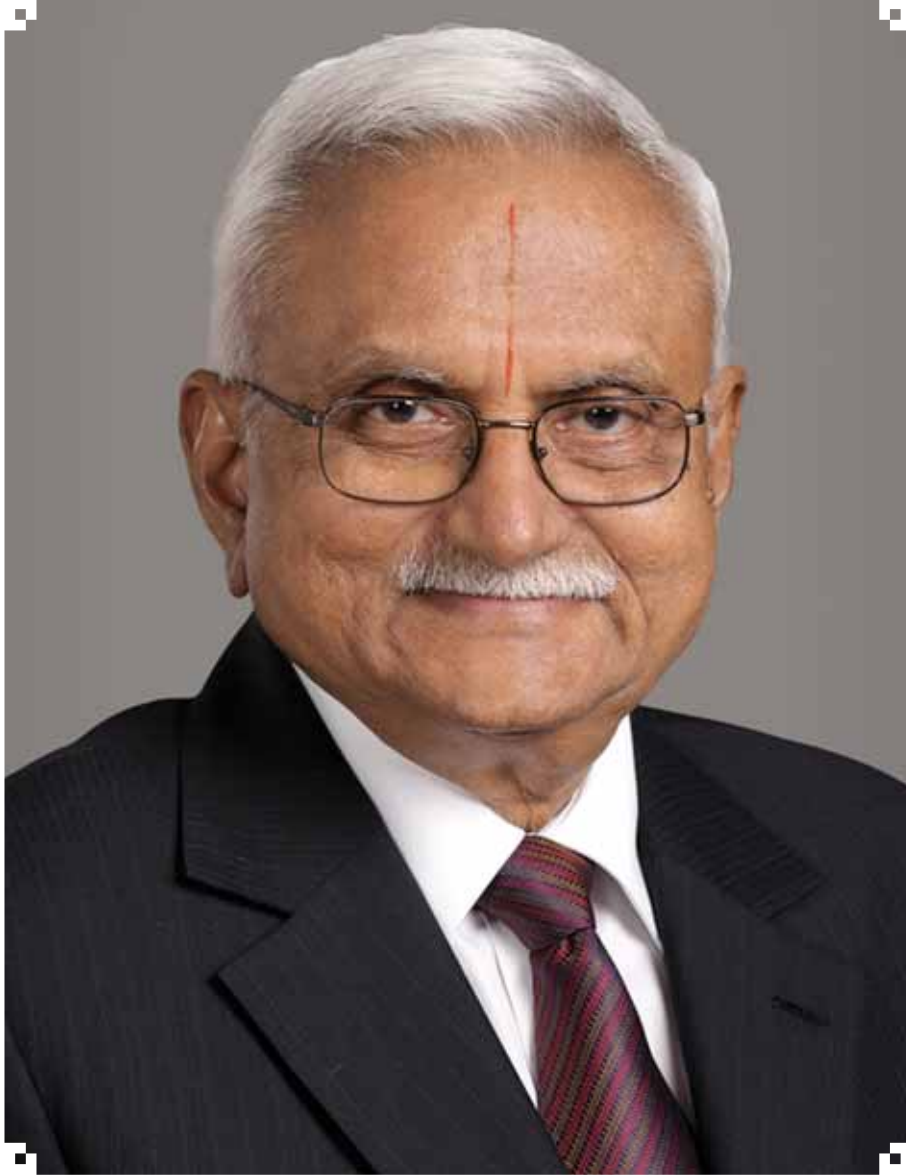




**SANDHYA SPINNING MILL LIMITED**  
RAJAPALAIYAM



SHRI P.A.C. RAMASAMY RAJA



**SHRI P.R. RAMASUBRAHMANEYA RAJHA**  
*Chairman, Ramco Group of Companies. Rajapalayam*

*04.07.1935 - 11.05.2017*



## SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM

### Board of Directors

Shri P.R. RAMASUBRAHMANEYA RAJHA, B.Sc.,  
Chairman (Upto 11-05-2017)

Shri P.R. VENKETRAMA RAJA, B.Tech., M.B.A.,  
Chairman (From 04-06-2017)

Smt. B. SRISANDHYA RAJU  
Managing Director

Smt. R. SUDARSANAM

Smt. P.V. NIRMALA RAJU

Shri N.K. SHRIKANTAN RAJA

Shri S. KANTHIMATHINATHAN

Shri P.A.S. KRISHNAMA RAJA

### Registered Office

Sandhya Spinning Mill Limited,  
No.47, P.S.K. Nagar,  
Rajapalaiyam - 626 108,  
Tamil Nadu.

E-mail : sandhya@ramcotex.com

Phone No. : 04563 - 235009

Fax No. : 04563 - 235405

### Website

[www.sandhyaspinningmill.co.in](http://www.sandhyaspinningmill.co.in)

### Corporate Identification Number

U17111TN1994PLC027037

### Factories

#### Unit I

Krishnapuram Road,  
Rajapalaiyam - 626 108,  
Tamil Nadu.

#### Unit II

Gopinenipalem Village,  
Jaggayyapet,  
Krishna District - 521 190,  
Andhra Pradesh.

### Bankers

Axis Bank Limited

Canara Bank

DCB Bank Limited

ICICI Bank Limited

IDBI Bank Limited

Indian Bank

Kotak Mahindra Bank Limited

Tamilnad Mercantile Bank Limited

### Auditors

M/s. N.A. Jayaraman & Co.,  
Chartered Accountants,  
9, Cedar Wood, No. 11, 4<sup>th</sup> Main Road,  
Raja Annamalaipuram,  
Chennai - 600 028.  
Tamil Nadu.

### Cost Auditors

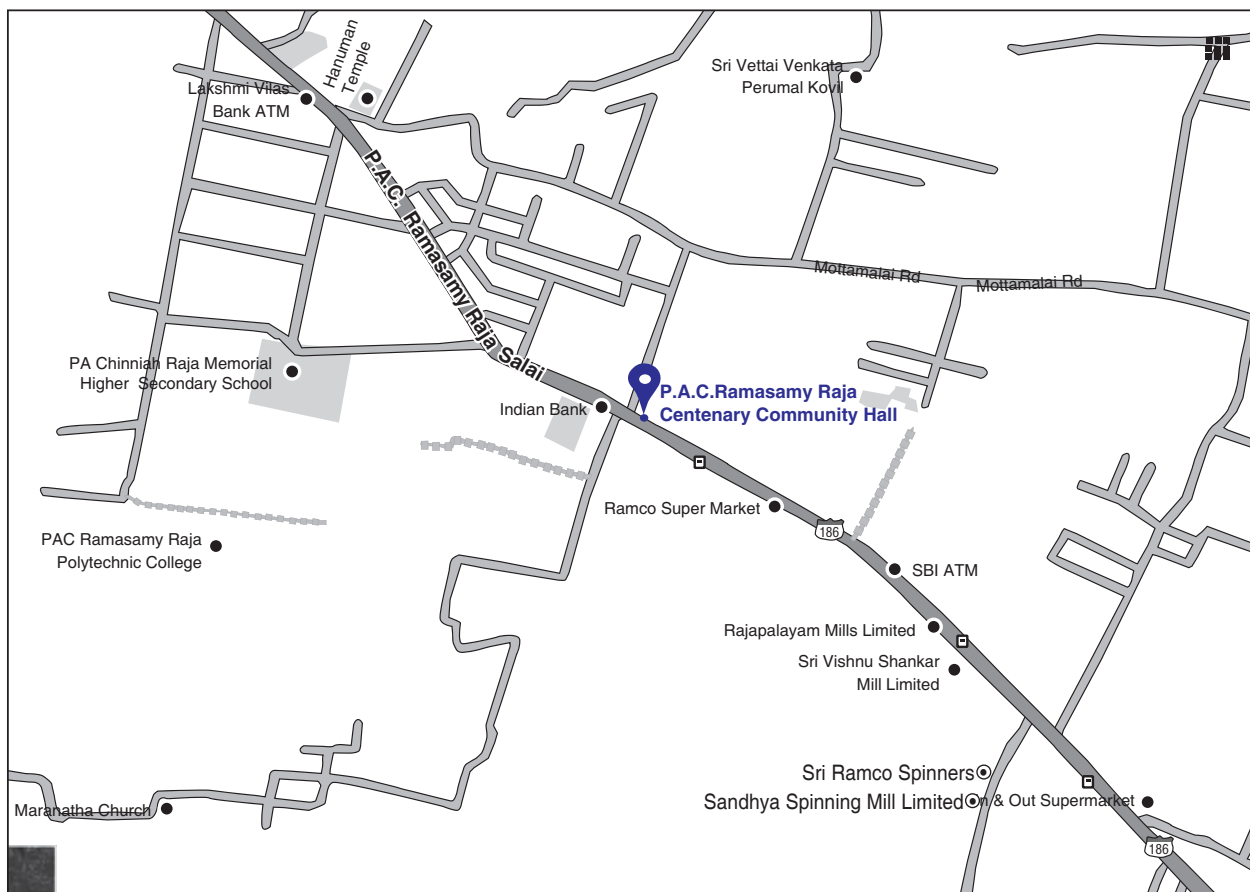
M/s. RKMS & Associates,  
IV-B, Akshaya Homes,  
9B-20, Barathiyar 4<sup>th</sup> Street,  
Tagore Nagar, S.S. Colony,  
Madurai - 625 016.

# SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM

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**Map Showing location of venue of 23<sup>rd</sup> Annual General Meeting**  
**Venue Address : P.A.C. Ramasamy Raja Centenary Community Hall, Sudarsan Gardens,**  
**P.A.C. Ramasamy Raja Salai, Rajapalaiyam - 626 108, Tamil Nadu**



Land Mark : Near Indian Bank, P.A.C.R. Polytechnic College Branch

Distance from Rajapalaiyam Bus Stand : 3.5 KM; Distance from Rajapalaiyam Railway Station : 3.9 KM.

## SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM

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### NOTICE TO THE MEMBERS

Notice is hereby given that the 23<sup>rd</sup> Annual General Meeting of the Company will be held at 11.00 A.M. on Thursday, the 10<sup>th</sup> August, 2017 at P.A.C. Ramasamy Raja Centenary Community Hall, Sudarsan Gardens, P.A.C. Ramasamy Raja Salai, Rajapalaiyam - 626 108, Tamil Nadu to transact the following business:

### ORDINARY BUSINESS :

1. To consider and pass the following Resolution, as an ORDINARY RESOLUTION:

“RESOLVED that the Directors' Report and the Company's Statement of Profit & Loss for the year ended 31<sup>st</sup> March, 2017, Balance sheet as at that date and Cash Flow Statement for the year ended on that date and the Auditors' Report thereon be and are hereby considered and adopted.”

2. To consider and pass the following Resolution, as an ORDINARY RESOLUTION:

“RESOLVED that Smt. R. Sudarsanam (DIN: 00433926), who retires by rotation, be and is hereby re-appointed as Director of the Company.”

3. To consider and pass the following Resolution, as an ORDINARY RESOLUTION:

“RESOLVED that Smt. P.V. Nirmala Raju (DIN: 00474960), who retires by rotation, be and is hereby re-appointed as Director of the Company.:

4. To consider and pass the following Resolution, as an ORDINARY RESOLUTION:

“RESOLVED that in terms of Section 139,142 and other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, M/s. M.S. Jagannathan & N. Krishnaswami, Chartered Accountants, holding Firm Registration No. 001208S be and is hereby appointed as statutory Auditors of the Company, [in the place of Shri R. Palaniappan, Prop. N.A. Jayaraman & Co., Chartered Accountants, whose tenure as Auditors come to an end at the close of the 23<sup>rd</sup> Annual General Meeting in terms of Section 139(2) of the Companies Act, 2013] for 5 consecutive financial years commencing from the financial year 2017-18 and to hold office from the conclusion of 23<sup>rd</sup> Annual General Meeting till the conclusion of 28<sup>th</sup> Annual General Meeting to be held in the year 2022, subject to ratification of their appointment by the Members at every intervening Annual General Meeting to be held after this Annual General Meeting.

RESOLVED FURTHER that the Auditors shall be paid for the financial year 2017-18 a remuneration of Rs. 85,000/- (Rupees Eighty Five Thousand only) per year plus applicable taxes and out-of-pocket expenses.

RESOLVED FURTHER that for the financial years 2018-19 to 2021-22, the Board of Directors are authorized to fix the remuneration based on the recommendation of the Audit Committee.”

### SPECIAL BUSINESS :

5. To consider and pass the following Resolution, as an ORDINARY RESOLUTION:

“RESOLVED that pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and Rule 14 of Companies (Audit and Auditors) Rules, 2014, the remuneration of Rs.53,000/- (Rupees Fifty three thousand only) plus applicable taxes and Out-of-pocket expenses payable to M/s. RKMS & Associates, Cost Accountants (Firm Registration No. 000335) appointed as the Cost Auditors of the Company by the Board of Directors, for the financial year 2017-18 for auditing the Cost Records relating to manufacture of textile products, be and is hereby ratified and confirmed.”

By Order of the Board,  
For SANDHYA SPINNING MILL LIMITED,

P.R. VENKETRAMA RAJA,  
Chairman

Rajapalaiyam,  
04<sup>th</sup> June, 2017.

# SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM

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## NOTICE

### NOTES:

- 1) Statement pursuant to Section 102 of the Companies Act, 2013, setting out the material facts concerning item of Special Business is annexed hereto.
- 2) **A Member entitled to attend and vote is entitled to appoint a Proxy to attend and vote instead of himself and that the Proxy need not be a Member.**
- 3) A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. Proxy Form is enclosed. Proxies in order to be effective must be received at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting. Proxies submitted on behalf of the Companies, societies, etc., must be supported by an appropriate resolution/authority, as applicable. Attendance Slip is attached. Members, proxies and Authorised Signatories are requested to bring the duly filled-in and signed, attendance slips to the meeting.
- 4) The cut-off date will be Friday 4<sup>th</sup> August, 2017 for determining the eligibility to vote by remote e-Voting or in General Meeting.
- 5) Pursuant to the provisions of Sections 205A(5) and 205C of the Companies Act, 1956, the Company has transferred the unclaimed /unpaid dividends lying with the Company for a period of over 7 years, to the Investor Education and Protection Fund (the IEPF) established by the Central Government. Pursuant to the provisions of Investor Education and Protections Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unclaimed / unpaid dividends lying with the Company on the website of the Company ([www.sandhyaspinningmill.co.in](http://www.sandhyaspinningmill.co.in)), as also on the website of the Ministry of Corporate Affairs. The dividends remaining unpaid for a period of over 7 years will be transferred to the Investor Education & Protection Fund of the Central Government.

Hence, the Members who have not claimed their dividend relating to the earlier years may write to the Company for claiming the amount before it is so transferred to the Fund.

The details of due dates for transfer of such unclaimed dividend to the said Fund are:

FINANCIAL YEAR ENDED	DATE OF DECLARATION OF DIVIDEND	LAST DATE FOR CLAIMING UNPAID DIVIDEND	DUE DATE FOR TRANSFER TO IEP FUND
31.03.2010	04-08-2010	03-08-2017	01-09-2017
31.03.2011	20-07-2011	19-07-2018	17-08-2018
31.03.2014	04-08-2014	03-08-2021	01-09-2021

- 6) In accordance with Section 124(6) of the Companies Act, 2013, the shares in respect of which dividend has not been paid or claimed for 7 consecutive years or more shall be transferred by the Company to IEPF. The Company has sent individual notices through Registered Post to the Shareholders, whose dividends are lying unclaimed for the last seven consecutive years or more, advising them to claim the dividend on or before 31<sup>st</sup> May, 2017. The statement containing the details of the Shareholders and the shares due for transfer is also uploaded on the Company's website, <http://www.sandhyaspinningmill.co.in> for information and necessary action by the Shareholders. Since the modalities for transfer of shares to IEPF with Depositories are not yet finalized by MCA, it has deferred its implementation. Hence, the Shareholders concerned are requested to take immediate steps to claim the unclaimed dividend. In the event of the Shareholders not claiming the dividend and the shares are transferred to IEPF, the Shareholders are still entitled to claim the shares from IEPF by



## SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM

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### NOTICE

making an online application in Form No: IEPF-5 to the IEPF Authority. The procedure and the form are available at <http://www.sandhyaspinningmill.co.in> and also on [www.iepf.gov.in](http://www.iepf.gov.in).

7. A Route map with prominent land mark for easy location of the venue of the meeting is given with this notice as per requirement of Clause No.1.2.4. of the Secretarial Standard - 2 on "General Meeting".
8. Voting through electronic means:
  - A. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is providing Members remote e-Voting facility to exercise their right to vote at the 23<sup>rd</sup> Annual General Meeting (AGM) and the business may be transacted through such voting through e-Voting services provided by Central Depository Services (India) Limited (CDSL).
  - B. The facility for voting, either through electronic voting system or ballot shall also be made available at the meeting and Members attending the meeting who have not already cast their vote by remote e-Voting shall be able to exercise their right at the meeting.
  - C. The Members who have cast their vote by remote e-Voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

The instructions for e-Voting are as under:

- i) To log on to the e-Voting website 'www.evotingindia.com'.
- ii) To Click on Shareholder tab.
- iii) Now enter your User ID as given below:
  - Members should enter Folio Number registered with the Company.
- iv) Next enter the Captcha Code as displayed and Click on Login.
- v) PASSWORD

If you are first time user follow the steps given below:

PAN	Enter your 10 digit alpha-numeric Sequence Number *
	<ul style="list-style-type: none"><li>• Members are requested to use the first two letters of their name in capital letters and the 8 digits of the Folio Number (Sequence Number) in the PAN field.</li><li>• In case the folio number is less than 8 digit, enter the applicable number of 0's before the Folio No. to make it 8 digits after the first two characters of the name in CAPITAL letters. Ex. if your Name is SAKTHIVEL with folio number 1 then enter SA00000001 in the PAN field.</li></ul>
Dividend Bank details	<ul style="list-style-type: none"><li>• Please enter the Folio Number in the Dividend Bank details field.</li></ul>
Date of Birth	<ul style="list-style-type: none"><li>• Leave it Date of Birth column</li></ul>

- vi) For members, the details can be used only for e-Voting on the resolutions contained in the notice.
- vii) Click on the relevant EVSN for "SANDHYA SPINNING MILL LIMITED" on which you choose to vote.
- viii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

## SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM

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### NOTICE

- ix) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolutions.
  - x) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
  - xi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
  - xii) You can also take out a print of the voting done by you clicking on "Click here to Print" option on the Voting page. It need not be sent to the Company.
  - xiii) Non-Individual Shareholders(i.e. other than Individuals, HUF, NRI, ETC) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be e-mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com). After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on. The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote. A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- D. The facility for remote e-Voting shall remain open from 9.00 A.M. on Sunday the 6<sup>th</sup> August, 2017 to 5.00 P.M. on Wednesday the 9<sup>th</sup> August, 2017. During this period the Members of the Company, as on cut-off-date, viz., Friday the 4<sup>th</sup> August, 2017, may opt for remote e-Voting. e-Voting shall not be allowed beyond 5.00 pm on 9<sup>th</sup> August, 2017.
- E. In case you have any queries or issues regarding e-Voting, you may refer the Frequently Asked Questions ("FAQs") and e-Voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- F. The voting rights of Shareholders shall be in proportion to the shares held by them in the paid up equity share capital of the Company as on Friday the 4<sup>th</sup> August, 2017.
- G. Shri R. Palaniappan, (Membership No: 205112), Proprietor, M/s. N.A. Jayaraman & Co., Chartered Accountants, has been appointed as the Scrutinizer to scrutinize the e-Voting process in a fair and transparent manner.
- H. The Chairman shall, at the general meeting, at the end of discussion on the resolutions on which voting is to be held, allow voting, with the assistance of scrutinizer, by use of ballot or by using an electronic voting system for all those members who are present at the general meeting but have not cast their votes by availing the remote e-Voting facility.
- I. The Scrutinizer shall immediately after conclusion voting at the Annual General Meeting, first count the votes cast at the meeting thereafter unblock the votes cast through remote e-Voting in the presence of at least two witnesses not in the employment of the Company and make not later than three days of conclusion of the Meeting, a Consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or person authorised by him in writing who shall countersign the same and the Chairman or a person authorized by him in writing shall declare the result of the voting forthwith.

Rajapalaiyam,  
04<sup>th</sup> June, 2017.

By Order of the Board,  
For SANDHYA SPINNING MILL LIMITED,  
P.R. VENKETRAMA RAJA,  
Chairman

# SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM

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## NOTICE

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

#### Item No. 5

In accordance with the provisions of Section 148 of the Companies Act, 2013 (the Act) and the Companies (Audit and Auditors) Rules, 2014 (the Rules), the Company is required to appoint a cost auditor to audit the cost records of Company, relating to manufacture Textile Products for the financial year 2017-18.

On the recommendation of the Audit Committee at its meeting held on 24-05-2017, the Board had approved the appointment of M/s. RKMS & Associates, Cost Accountant as the Cost Auditors of the Company to audit the Company's Cost Records relating to manufacture of Textile products at a remuneration of Rs.53,000/- (Rupees fifty three thousands only) plus applicable taxes and out-of-pocket expenses for the financial year 2017-18.

The remuneration of the cost auditor is required to be ratified by the Members in accordance with the provisions of Section 148(3) of the Act and Rule 14 of the Rules.

The Directors recommend the Resolution to the Members for their approval.

None of the Directors, Key Managerial Personnel or their relatives are deemed to be interested in this Resolution.

By Order of the Board,  
For SANDHYA SPINNING MILL LIMITED,

P.R. VENKETRAMA RAJA,  
Chairman

Rajapalaiyam,  
04<sup>th</sup> June, 2017.

# SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM

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## DIRECTORS' REPORT

### TO THE MEMBERS

Before reporting the working results of the year, your Directors with deep regret inform the sad and sudden demise of Shri P.R. Ramasubrahmaneya Rajha, Chairman of the Company on 11-05-2017. when Shri P.R. Ramasubrahmaneya Rajha assumed charge of Sandhya Spinning Mill Limited the capacity of the Company was 11,440 Spindles. Under his leadership the Company grew to aggregate spindle capacity of 57,552 Spindles and Open End capacity of 2,464 Rotors. Shri P.R. Ramasubrahmaneya Rajha was appointed as a Director of the Company in the year 1994 and served the Company for more than 20 years. The Mill was developed financially and operationally very strong during his tenure because of prudent and transparent management. The achievements made by the legendary Chairman not only to the Company but also to the Textile Industry as a whole will be appreciated by many generations to come. He was also known for his business ethics, value systems and philanthropic activities. He not only led the Sandhya Spinning Mill Limited but was also the guiding force for the entire Ramco Group of Companies, which has made the Group, one of the most respected industrial houses in the country. Under his leadership, the Company has enabled good profits and handsomely rewarded all the Stakeholders of the Company.

The Directors place on record the immense contribution, Shri.P.R.Ramasubrahmaneya Rajha had made to the Company in its growth progress. The Directors are committed to take forward the future growth of the Company, in line with his vision and values.

The Directors are presenting their 23<sup>rd</sup> Annual Report and the Audited Accounts of the Company for the year ended 31<sup>st</sup> March, 2017.

### 1. FINANCIAL RESULTS

The financial results for the year ended 31<sup>st</sup> March, 2017 after charging all expenses but before deducting finance cost and depreciation have resulted in operating profit of Rs. 3,221.05 Lakhs against Rs. 2,776.47 Lakhs for the previous financial year 2015-16.

After deducting Rs. 1,599.97 Lakhs towards finance cost and providing Rs. 1,004.15 Lakhs towards Depreciation, the Net Profit and other comprehensive income before tax for the year is Rs. 616.93 Lakhs, as compared to Rs.95.19 Lakhs for the previous financial year 2015-16. Adding the surplus of Rs.175.35 Lakhs brought forward from the previous year, your Directors propose to appropriate the total sum of Rs. 792.28 Lakhs as detailed below:

		<b>(Rs. in Lakhs)</b>
Provision for Taxation	- Current Tax - MAT	128.00
	- Deferred Tax	141.00
Preference Dividend	@ 7.50%	22.50
Tax on Dividend	@ 20.358%	4.58
Transfer to General Reserve		296.20
Balance carried over to Balance Sheet		200.00
	<b>Total</b>	<b><u>792.28</u></b>

### 2. SHARE CAPITAL

The Paid-up Capital of the Company is Rs.760 Lakhs (Previous Year: Rs.760 Lakhs) consisting of the following:

- i) 46,00,000 Nos. Equity Shares of Rs.10/- each
  - ii) 30,00,000 Nos. 7.50% Cumulative Redeemable Preference Shares of Rs.10/- each.
-

# SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM

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## DIRECTORS' REPORT

### 3. DIVIDEND

Your Directors have not recommended any equity dividend for the current year. However, Rs.22.50 Lakhs has been appropriated towards Preference Dividend on 7.50% Cumulative Redeemable Preference Shares. The Company will pay Dividend Distribution Tax under Income Tax Act, 1961 and the amount of tax on preference dividend would be Rs.4.58 Lakhs. The total amount of Dividend outgo for the year will be Rs.27.08 Lakhs.

### 4. TAXATION

The Company is not liable to pay income tax under regular income tax provisions. However, an amount of Rs.128 Lakhs towards current tax(MAT) and Rs.141 Lakhs has been provided towards Deferred Tax liability for the year.

### 5. MANAGAEMENT DISCUSSIONS AND ANALYSIS

#### TRADE CONDITIONS

##### • COTTON

India is the largest producer of cotton in the world. At the time of beginning of the cotton season during November-2016, the Government of India announced demonetization of high value currency notes, which prompted farmers to postpone their cotton sales. Because of this, the cotton prices had gone up by 18% as compared to the prices quoted at the same period of last cotton season. The price of comber noils, which is the Raw material for Open End Spinning has also increased steeply due to more exports from India. The Company has put in place a well-defined system for monitoring demand and supply of required quality of cotton and also the price movements in domestic and international cotton markets. Because of this, the Company was able to procure high quality cotton when the prices were competitive.

##### • YARN PRODUCTION

The Company is now focusing on production of customized, fine / super fine yarn to get better contribution as compared coarser / medium fine counts produced during the last financial year 2015-16. Due to this, the production volume has decreased to 67.23 Lakhs Kgs of yarn during the financial year 2016-17 as against 77.38 Lakhs Kgs of last year.

##### • SALE OF YARN

The sale volume has decreased in line with production during the financial year 2016-17 and it was 70.19 Lakh Kgs as compared to 73.82 Lakh Kgs of last year. However, the sale value of yarn and fabric has increased from Rs. 147.85 Crores [FY 2015-16] to Rs. 168.83 Crores [FY 2016-17].

Due to weak export demand especially from China and sluggishness in domestic market for yarn, the Company was not able to increase the Yarn Prices in line with the increase in raw material cost. Though India is the top exporter of Cotton yarn in the world, exports during the financial year 2016-17 has declined by more than 10% as compared to financial year 2015-16. However, the Company continues to have a good demand from International Customers on account of supply of consistent and superior quality of yarn.

The Company was able to tap more opportunities available in the overseas yarn market and this enabled the Company to sustain the sale volume in export. Despite down trend in yarn markets in India, the Company was able to register a growth in its profitability mainly due to focus on value addition, procuring superior quality of cotton, reducing the production of commodity counts and replacing the same with customized yarn counts, cost optimization initiatives implemented across the organization etc.

The investments made in value added machineries during the past years have given the ability to the Company to customize its products in line with the requirements of its customers.

# SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM

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## DIRECTORS' REPORT

### • POWER COST

During the financial year 2016-17, the Company was able to consume electricity from its own wind power to the extent of 58% of total power requirement as compared to 32% consumed from wind mills during the last financial year 2015-16. Because of improved power generation from wind mills, the Company was able to reduce the power cost substantially as compared to previous financial year.

### • FINANCE COST

The finance cost has reduced from Rs. 1,621.52 Lakhs to Rs. 1,599.97 Lakhs, a decline of 1.33% mainly due to repayment of term loans and initiating taken by the Company to reduce the average cost of borrowings.

In spite of increased cotton cost and labour costs, the strategic decision taken by the Company to make investments in value added machines like compact spinning system, TFO, gassing machines, etc., has helped the Company to increase its volume of sales in export / corporate customers, who require high quality value added yarn and also helped the Company to control the costs and to increase its operational and financial performance.

### 6. EXPORTS

On the export front during the year, we have made export of Cotton Yarn (including merchant exports) for a value of Rs.34.39 Crores as against Rs.35.52 Crores of the previous year.

### 7. MODERNISATION

As a part of continuous thrust on modernization programme, the Company has invested about Rs.2.78 Crores for investment in textile machinery and equipments like, Carding, Compact conversion, Contamination detecting machine etc.

### 8. PROSPECTS FOR THE CURRENT YEAR

The cotton prices are showing increasing trend due to reduced acreage of cotton plantation during the cotton season 2016-17. There is a huge volatility in the demand of cotton and yarn in domestic as well as international markets, which is reflecting in their prices also. There is an expectation that the US's exit from the Trans-Pacific partnership is likely to realign textile trade towards India, which will boost the consumption of Indian yarn. Cotton yarn is now enjoying the excise duty exemption through optional route since 2004. The Government is planning to implement GST in India with effect from 01-07-2017 and it is expected to yield long-term benefits.

The Company is always focusing on maintaining highest standards of yarn quality and also concentrating on cost effective production. It is always our endeavor to minimize the waste and to focus more on automation with a view to utilize the skilled manpower more efficiently. With the flexibility to produce value added super fine counts and by using more imported contamination free cotton, the Company will continue to make efforts in expanding the marketing activities across the globe to increase its customer base.

### 9. WIND MILL

The Company has wind mills with installed capacity of 10.95 MW for its captive power consumption. The wind farm has generated 192 Lakhs Kwh as compared to 113 Lakhs Kwh of the previous year. There was a good wind velocity supported by good evacuation by Tamil Nadu Generation and Distribution Corporation (TANGEDCO) during the financial year 2016-17. All the Units generated by wind mills were adjusted for captive consumption at our Mills in Tamil Nadu. The income during the year from the Wind Mill Division was Rs.12.84 Crores as against Rs.7.48 Crores of previous year.

### 10. INTERNAL FINANCIAL CONTROLS

In accordance with Section 134(5)(e) of the Companies Act, 2013, the Company has Internal Financial Controls Policy by means of Policies and Procedures commensurate with the size & nature of its operations

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# SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM

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## DIRECTORS' REPORT

and pertaining to financial reporting. In accordance with Rule 8(5)(viii) of Companies (Accounts) Rules, 2014, it is hereby confirmed that the Internal Financial Controls are adequate with reference to the financial statements. ERP System developed by Ramco Systems Limited has been installed for online monitoring of all functions and management information reports are being used to have better internal control system and to take decisions in time.

### 11. VIGIL MECHANISM / WHISTLE BLOWER POLICY

In accordance with Section 177(9) and (10) of the Companies Act, 2013 the Company has established a Vigil Mechanism and has a Whistle Blower Policy.

### 12. DIRECTORS

Smt. B.SriSandhya Raju, was reappointed as Managing Director of the Company for a period of three years starting from 01-04-2014 to 31-03-2017 at the AGM held on 04-08-2014. Based on the recommendation of the Nomination and Remuneration Committee made at its meeting held on 27-05-2016, the Board of Directors at their meeting held on 28-05-2016 and the Shareholders at the 22<sup>nd</sup> Annual General Meeting held on 10<sup>th</sup> August, 2016 have approved appointment of Smt. B. SriSandhya Raju as Managing Director for a further period of 3 years starting from 01-04-2017.

In accordance with the provision of the Companies Act, 2013 and in terms of the Memorandum and Articles of Association of the Company, the following Directors retire by rotation at the ensuing Annual General Meeting and they are eligible for re-appointment.

1. Smt. R. Sudarsanam (DIN: 00433926)
2. Smt.P.V. Nirmala Raju (DIN: 00474960)

Shri P.A.S. Krishnama Raja (DIN:00487322) has been appointed as Independent Director for a period of five years with effect from 19-05-2016 at the Annual General Meeting held on 10<sup>th</sup> August, 2016.

Shri P.R. Venketrama Raja (DIN: 00331406) has been appointed as Chairman at the Board Meeting held on 04-06-2017.

The Independent Directors hold office for a fixed term of 5 years and not liable to retire by rotation. No Independent Directors retired during the year.

Pursuant to Rule 8(5)(iii) of Companies (Accounts) Rules, 2014, it is reported that, other than the above, there have been no changes in the Directors or Key Managerial Personnel during the year under review.

The Company has received necessary declarations from all the Independent Directors under Section 149(7) of the Companies Act, 2013, that they meet the criteria of independence as provided in Section 149(6) of the Companies Act,2013.

The Audit Committee has three Members, out of which two are Independent Directors. Pursuant to Section 177(8) of the Companies Act, 2013, it is reported that there has not been an occasion, where the Board had not accepted any recommendation of the Audit Committee.

In accordance with Section 178(3) of the Companies Act, 2013 and based upon the recommendation of the Nomination and Remuneration Committee, the Board of Directors have approved a policy relating to appointment and remuneration of Directors, Key Managerial Personnel and Other Employees.

The objective of the Nomination and Remuneration Policy is to ensure that the level and composition of remuneration is reasonable, the relationship of remuneration to performance is clear and appropriate to the long term goals of the Company.

### 13. EVALUATION OF BOARD

Pursuant to Section 134(3)(p) of the Companies Act, 2013, Independent Directors have evaluated the quality, quantity and timeliness of the flow of information between the Management and the Board, performance of the Board as a whole, its committees and its Members and other required matters.

# SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM

## DIRECTORS' REPORT

### 14. MEETINGS

#### MEETINGS OF THE BOARD

Details of attendance of each Director at the Board Meetings held during the year are as follows:

Sl. No.	Name of the Director, Director Identification Number (DIN) & Directorship	28/05/2016	09/08/2016	10/11/2016	11/02/2017	Attendance at Last AGM Held on 10-08-2016
1	Shri P.R. Ramasubrahmaneya Rajha Chairman (till 11-05-2017) DIN: 00331357, Directorship: P & NE	Yes	Yes	Yes	Yes	Yes
2	Smt. B. SriSandhya Raju, Managing Director DIN: 02325596, Directorship: P & E	Yes	Leave of Absence	Leave of Absence	Leave of Absence	No
3	Shri P.R. Venketrama Raja Chairman (from 04-06-2017) DIN: 00331406, Directorship: P & NE	Yes	Leave of Absence	Leave of Absence	Yes	No
4	Smt. R. Sudarsanam, DIN: 00433926, Directorship: P & NE	Leave of Absence	Yes	Yes	Yes	Yes
5	Smt. P.V. Nirmala Raju, DIN: 00474960, Directorship: P & NE	Yes	Leave of Absence	Leave of Absence	Leave of Absence	No
6	Shri N.K. Shrikantan Raja, DIN 00350693, Directorship: NE & ID	Yes	Yes	Yes	Yes	Yes
7	Shri S.Kanthimathinathan DIN: 01124581, Directorship: NE	Leave of Absence	Yes	Yes	Yes	Yes
8	Shri P.A.S. Krishnama Raja DIN: 00487322, Directorship: NE & ID	Yes	Yes	Yes	Yes	Yes

P-Promoter; E-Executive; NE-Non Executive; ID - Independent Director.

During the year, two meetings of the Independent Directors was held on 09-11-2016 and 10-02-2017 and both Independent Directors were present at the meetings.

### 15. MEETINGS OF THE COMMITTEES

#### AUDIT COMMITTEE

The Composition of the Audit Committee and the details of attendance of its Members are as follows:

Sl. No.	Name of the Director	27/05/2016	09/08/2016	09/11/2016	10/02/2017
1	Shri N. K. Shrikantan Raja Chairman of the Committee	Yes	Yes	Yes	Yes
2	Shri S. Kanthimathinathan	Leave of Absence	Yes	Yes	Yes
3	Shri P.A.S. Krishnama Raja	Yes	Yes	Yes	Yes



# SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM

## DIRECTORS' REPORT

### NOMINATION AND REMUNERATION COMMITTEE

The Composition of the Nomination and Remuneration Committee and the details of attendance of its Members are as follows:

Sl. No.	Name of the Director	27/05/2016	10/02/2017
1	Shri N. K. Shrikantan Raja Chairman of the Committee	Yes	Yes
2	Shri S. Kanthimathinathan	Leave of Absence	Yes
3	Shri P.A.S. Krishnama Raja	Yes	Yes

The Nomination and Remuneration Committee has laid down evaluation criteria for performance evaluation of Independent Directors, which will be based on attendance, independence, expertise and contribution brought in by the Independent Director at the Board and Committee Meetings, which shall be taken into account at the time of re-appointment of Independent Director.

### SHARE TRANSFER COMMITTEE

The Composition of the Share Transfer Committee and the details of attendance of its Members are as follows:

Sl. No.	Name of the Director	21/05/2016	06/07/2016	07/11/2016	07/02/2017
1	Shri P.R Ramasubrahmaneya Rajha Chairman of the Committee	Yes	Yes	Yes	Yes
2	Shri N.K. Shrikantan Raja	Yes	Yes	Yes	Yes
3	Shri S. Kanthimathinathan	Yes	Yes	Yes	Yes

### STAKEHOLDERS RELATIONSHIP COMMITTEE

The Composition of the Stakeholders Relationship Committee and the details of attendance of its Members are as follows:

Sl. No.	Name of the Director	21/05/2016
1	Shri N.K. Shrikantan Raja, Chairman of the Committee	Yes
2	Shri S. Kanthimathinathan	Yes

### 16. PUBLIC DEPOSITS

Pursuant to Rule 8(5)(v) & (vi) of Companies (Accounts) Rules, 2014, it is reported that the Company has not accepted any deposit from public during the financial year under review. The Company has no deposit, which is not in compliance with the Chapter V of the Companies Act, 2013.

### 17. ORDERS PASSED BY REGULATORS

Pursuant to Rule 8(5)(vii) of Companies (Accounts) Rules, 2014, it is reported that, no significant and material orders have been passed by the Regulators or Courts or Tribunals, impacting the going concern status and Company's operations in future.

### 18. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The Company has not given any loan or guarantee to any Company. The details of investment made by the Company are disclosed in Note.10 which is forming part of financial statements.

# SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM

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## DIRECTORS' REPORT

### 19. CORPORATE SOCIAL RESPONSIBILITY

In terms of Section 135 and Schedule VII of the Companies Act, 2013, the Board of Directors have constituted a Corporate Social Responsibility (CSR) Committee and adopted a CSR Policy which is based on the philosophy that "As the Organization grows, the Society and Community around it also grows."

Your Directors are pleased to inform that the Company has fulfilled its CSR obligations pursuant to Section 135(5) of the Companies Act, 2013. As against the requirement of Rs. 7.86 Lakhs, for the year the Company has spent Rs. 7.86 Lakhs on CSR on during the year 2016-17.

### 20. STATUTORY AUDIT

As per the provisions of Section 139 of the Companies Act, 2013, the term of Office of Shri R. Palaniappan, Prop. M/s. N.A.Jayaraman & Co, Chartered Accountants, come to an end at the close of the 23<sup>rd</sup> Annual General Meeting of the Company.

Shri R. Palaniappan, Prop. M/s. N.A. Jayaraman & Co, Chartered Accountants were the Auditors of the Company since Incorporation, are the Auditors of the Company since 1997-98. The Board of Directors wish to place on record their sincere appreciation for the services rendered by Shri R. Palaniappan, Prop. M/s. N.A. Jayaraman & Co, Chartered Accountants as Statutory Auditors of the Company, during their long association with the Company

Subject to the approval of the Members of the Company at the ensuing 23<sup>rd</sup> Annual General Meeting, the Board of Directors have recommended the appointment of M/s. M.S. Jagannathan & N. Krishnaswami, Chartered Accountants as Statutory Auditors of the Company, pursuant to Section 139 of the Companies Act, 2013. The Audit Committee at its meeting held on 24-05-2017 had recommended their appointment as Statutory Auditors, pursuant to Section 139 (11) of the Companies Act, 2013. Written consent from the incoming Auditors have been obtained, confirming that they satisfy the legal requirements for their appointment. The proposal relating to their appointment has been included in the notice convening the 23<sup>rd</sup> Annual General Meeting of the Company. They shall hold office from the conclusion of 23<sup>rd</sup> Annual General Meeting to the conclusion of 28<sup>th</sup> Annual General Meeting and the matter relating to the Auditors' appointment will be placed before the Members for their ratification at every intervening Annual General Meeting.

The report of the Statutory Auditor viz., Shri R. Palaniappan, Prop. M/s. N.A.Jayaraman & Co, Chartered Accountants, for the year ended 31<sup>st</sup> March, 2017 does not contain any qualification, reservation or adverse remark and no instance of fraud has been reported by Auditors under Section 143(12) of Companies Act, 2013.

### 21. COST AUDIT

As per notification dated 31-12-2014 issued by MCA under the Companies (Cost Records and Audit) Rules, 2014, Textile Mills are required to file cost audit report with effect from the financial year 2015-16.

The Board of Directors had approved the appointment of M/s. RKMS & Associates, Cost Accountants as the Cost Auditors of the Company to audit the Company's Cost Records relating to manufacture of textile products for the year 2017-18.

The remuneration of the cost auditor is required to be ratified by the Shareholders in accordance with the provisions of Section 148(3) of the Companies Act, 2013 and Rule 14 of Companies (Audit and Auditors) Rules, 2014. Accordingly, the matter related to his remuneration is being placed before the Members for ratification at the ensuing Annual General Meeting.

The Cost Audit Report for the financial year 2015-16 due to be filed with Ministry of Corporate Affairs by 30-09-2016 had been filed on 03-09-2016.

The Cost Audit Report for the financial year 2016-17 is due to be filed within 180 days from the closure of the financial year and will be filed within the stipulated period.

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

Pursuant to Section 134(3)(m) of the Companies Act, 2013 and Rule 8(3) of Companies (Accounts) Rules, 2014, the information relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo is attached as Annexure - I.

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# SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM

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## DIRECTORS' REPORT

### 23. EXTRACT OF ANNUAL RETURN

In Accordance with Section 92(3) of the Companies Act, 2013, read with Rule 12(1) of Companies (Management and Administration) Rules, 2014, an extract of the Annual Return in Form MGT-9 is attached herewith as Annexure - II.

### 24. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

The disclosures in terms of provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5(1), (2) and (3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, relating to remuneration are provided in Annexure- III.

### 25. INDUSTRIAL RELATIONS AND PERSONNEL

The Company has 812 employees as on 31-03-2017. Industrial relations with employees remained cordial during the year. Human Resources Development activities received considerable focus. The emphasis was on imparting training and development of the skill-set of the employees to enable them to face the challenges in the work environment.

### 26. RELATED PARTY TRANSACTION

The transaction with related party entered into by the Company are periodically placed before the Audit Committee for its approval. In accordance with Accounting Standard - 18 (Related Party Disclosure), the details of transactions with the related parties are set out in Note No:26 (14) of disclosures forming part of Financial Statements.

### 27. RISK MANAGEMENT POLICY

Pursuant to Section 134(3)(n) of the Companies Act, 2013, the Company has developed and implemented a Risk Management Policy. The Policy envisages identification of risk and procedures for assessment and minimization of risk thereof.

### 28. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, the Directors confirm that:

- (a) they had followed the applicable accounting standards along with proper explanation relating to material departures, if any, in the preparation of the Annual Accounts for the year ended 31<sup>st</sup> March, 2017;
- (b) they 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 as on 31<sup>st</sup> March, 2017 and of the profit and loss of the Company for the year ended on that date;
- (c) they 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) they had prepared the Annual Accounts on a going concern basis;
- (e) they 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) they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### ACKNOWLEDGEMENT

The Directors are grateful to the various Departments and agencies of the Central and State Governments for their help and co-operation. They are thankful to the Financial Institutions and Banks for their continued help, assistance and guidance. The Directors wish to place on record their appreciation of employees at all levels for their commitment and their contribution.

Rajapalaiyam,  
04<sup>th</sup> June, 2017.

On behalf of the Board of Directors,  
For SANDHYA SPINNING MILL LIMITED,  
P.R. VENKETRAMA RAJA,  
Chairman

# SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM

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## ANNEXURE I TO DIRECTORS' REPORT

### Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

[Pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of Companies (Accounts) Rules 2014 ]

#### A) CONSERVATION OF ENERGY:

The Company pays attention at all levels to reduce energy consumption, by continuous monitoring maintenances and improvements.

- |  |   |
|--|---|
| (i) the steps taken on conservation of energy;                                 | Installation of LED Tube Lamps in lighting area by replacing conventional tube lamps<br>Optimisation of lighting in machinery hall.   |
| impact on conservation of energy;  | Installation of LED lamps resulted power saving of around 1.66 Lakhs Units per annum.<br>Optimisation of lighting in machinery hall resulted power saving of around 1.50 Lakhs units per annum. |
| (ii) the steps taken by the Company for utilising 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 installed Spindle Monitoring system to reduce the waste and increase productivity. |
| (ii) the benefits derived like product improvement, cost reduction, product development or import substitution;               |  |
| (iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) |  |
| (a) the details of technology imported;   | NIL  |
| (b) the year of import;   | NIL  |
| (c) whether the technology been fully absorbed;   | Not Applicable   |
| (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and                           | Not Applicable   |
| (iv) the expenditure incurred on Research and Development   | Not Applicable   |

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

The Foreign Exchange earned in terms of actual inflows during the year and	Rs. 2,271.12 Lakhs
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The Foreign Exchange outgo during the year in terms of actual outflows.	Rs. 3,752.62 Lakhs
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Rajapalaiyam,  
04<sup>th</sup> June, 2017.

On behalf of the Board of Directors,  
For SANDHYA SPINNING MILL LIMITED,

P.R. VENKETRAMA RAJA,  
Chairman

# SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM

## ANNEXURE II TO DIRECTORS' REPORT

### Form MGT - 9

#### EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31<sup>st</sup> March, 2017

[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:

CIN	U17111TN1994PLC027037
Registration Date	16-03-1994
Name of the Company	SANDHYA SPINNING MILL LIMITED
Category / Sub-Category of the Company	Public Limited Company
Address of the Registered office and Contact details	No. 47, P.S.K. Nagar, Rajapalaiyam, Tamilnadu, Pin: 626 108.
Whether listed company	No
Name, address and contact details of Registrar and Transfer Agent, if any	Share transfer is being carried out in-house.

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

Business activities contributing 10% or more of the total turnover of the Company :

Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the Company
Yarn	13111	100%

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

Name and address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of Shares held	Applicable Section
- NIL -				

# SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM

## ANNEXURE II TO DIRECTORS' REPORT

### IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

#### i) Category-Wise Share Holding

Category of Shareholder		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.</b>	<b>Promoters</b>									
(1)	<b>Indian</b>									
a)	Individuals/ Hindu Undivided Family	-	36,12,580	36,12,580	78.53	-	36,44,060	36,44,060	79.22	0.69
b)	Central Government	-	-	-	-	-	-	-	-	-
c)	State Government(s)	-	-	-	-	-	-	-	-	-
d)	Bodies Corporate	-	-	-	-	-	-	-	-	-
e)	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
f)	Any Others...	-	-	-	-	-	-	-	-	-
	<b>Sub Total (A) (1)</b>	-	36,12,580	36,12,580	78.53	-	36,44,060	36,44,060	79.22	0.69
(2)	<b>Foreign</b>									
a)	NRIs - Individuals	-	-	-	-	-	-	-	-	-
b)	Other Individuals	-	-	-	-	-	-	-	-	-
c)	Bodies Corporate	-	-	-	-	-	-	-	-	-
d)	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
e)	Any Others	-	-	-	-	-	-	-	-	-
	<b>Sub Total (A) (2)</b>	-	-	-	-	-	-	-	-	-
	<b>Total Shareholding of Promoter (A) = (A) (1) + (A) (2)</b>	-	36,12,580	36,12,580	78.53	-	36,44,060	36,44,060	79.22	0.69
<b>B.</b>	<b>Public shareholding</b>									
(1)	<b>Institutions</b>									
a)	Mutual Funds	-	-	-	-	-	-	-	-	-
b)	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
c)	Central Government	-	-	-	-	-	-	-	-	-
d)	State Government(s)	-	-	-	-	-	-	-	-	-
e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
f)	Insurance Companies	-	-	-	-	-	-	-	-	-
g)	Foreign Institutional Investors	-	-	-	-	-	-	-	-	-
h)	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i)	Others (specify)	-	-	-	-	-	-	-	-	-
	<b>Sub-Total (B) (1)</b>	-	-	-	-	-	-	-	-	-
<b>B (2)</b>	<b>Non-institutions</b>									
a)	<b>Bodies Corporate</b>									
i)	Indian	-	-	-	-	-	-	-	-	-
ii)	Overseas	-	-	-	-	-	-	-	-	-
b)	Individuals	-	9,87,420	9,87,420	21.47	-	9,55,940	9,55,940	20.78	(0.69)
i)	Individual shareholders holding nominal share capital up to Rs 1 lakh	-	-	-	-	-	-	-	-	-
ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	-	-	-	-	-	-	-	-	-
(c)	Others (specify)	-	-	-	-	-	-	-	-	-
	<b>Sub-Total (B) (2)</b>	-	9,87,420	9,87,420	21.47	-	9,55,940	9,55,940	20.78	(0.69)
<b>B</b>	<b>Total Public Shareholding (B) = (B) (1) + (B) (2)</b>	-	9,87,420	9,87,420	21.47	-	9,55,940	9,55,940	20.78	(0.69)
<b>C)</b>	<b>Shares held by Custodians for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
	<b>GRAND TOTAL (A) + (B) + (C)</b>	-	46,00,000	46,00,000	100.00	-	46,00,000	46,00,000	100.00	0.00

## SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM

### ANNEXURE II TO DIRECTORS' REPORT

#### ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in Shareholding during the year
		No. of Shares	% of Total Shares of the Company	% of Shares Pledged / encumbered to total Shares	No. of Shares	% of Total Shares of the Company	% of Shares Pledged / encumbered to total Shares	
1.	Shri P R Ramasubrahmaneya Rajha	41,560	0.90	-	41,560	0.90	-	-
2.	Shri P R Venketrama Raja	42,000	0.91	-	42,000	0.91	-	-
3.	Smt. B. SriSandhya Raju	28,72,680	62.45	-	29,04,160	63.13	-	0.69
4.	Smt. R Sudarsanam	43,400	0.95	-	43,400	0.95	-	-
5.	Smt. P V Nirmala Raju	42,000	0.91	-	42,000	0.91	-	-
6.	Shri P V Abinav Ramasubramaniam Raja	1,40,000	3.04	-	1,40,000	3.04	-	-
7.	Smt. Ramachandra Raja Chittammal	7,840	0.17	-	7,840	0.17	-	-
8.	Shri S S Ramachandra Raja	3,500	0.08	-	3,500	0.08	-	-
9.	Shri N K Ramasuwami Raja	1,000	0.02	-	1,000	0.02	-	-
10.	Master Vikramaditya Raju M/G. Smt. B. SriSandhya Raju	4,18,600	9.10	-	4,18,600	9.10	-	-
	<b>Total</b>	<b>36,12,580</b>	<b>78.53</b>		<b>36,44,060</b>	<b>79.22</b>		<b>0.69</b>

#### iii) Change in Promoters' Shareholding

Shareholding		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01-04-2016 to 31-03-2017)	
No. of Shares at the beginning (01-04-2016) / end of the year (31-03-2017)	% of total Shares of the Company				No. of shares	% of total shares of the Company
28,72,680	62.45	01-04-2016				
		07-11-2016	23,780	Transfer	28,96,460	62.97
29,04,160	63.13	07-02-2017	7,700	Transfer	29,04,160	63.13

#### iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters) :

Sl. No.	Name	Shareholding		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01-04-2016 to 31-03-2017)	
		No. of Shares at the beginning (01-04-2016) / end of the year (31-03-2017)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1.	Smt. R. Vijayalakshmi	7,000	0.15	-	-	-	7,000	0.15
2.	Smt. N. Shanthi	7,000	0.15	-	-	-	7,000	0.15
3.	Smt. Sunitha Goenka	7,000	0.15	-	-	-	7,000	0.15
4.	Smt. Neelabh Goenka	7,000	0.15	-	-	-	7,000	0.15
5.	Shri Arun Kumar Genka	7,000	0.15	-	-	-	7,000	0.15
6.	Min Aditil Goenka	7,000	0.15	-	-	-	7,000	0.15
7.	Smt. Archita Bhagat	7,000	0.15	-	-	-	7,000	0.15
8.	Smt. Divya Raju	7,000	0.15	-	-	-	7,000	0.15
9.	Shri Venkatapathi Raju	7,000	0.15	-	-	-	7,000	0.15
10.	Smt. K. Vishalakshmi Raju	7,000	0.15	-	-	-	7,000	0.15

# SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM

## ANNEXURE II TO DIRECTORS' REPORT

### v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name	Shareholding		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01-04-2016 to 31-03-2017)	
		No. of Shares at the beginning (01-04-2016) / end of the year (31-03-2017)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1.	Shri P.R. Ramasubrahmaneya Rajha*	41,560	0.90	N.A	N.A	N.A	41,560	0.90
2.	Shri P.R. Venketrama Raja	42,000	0.91	N.A	N.A	N.A	42,000	0.91
3.	Smt. R. Sudarsanam	43,400	0.95	N.A	N.A	N.A	43,400	0.95
4.	Smt. B. SriSandhya Raju	28,72,680	62.45	-	-	-	-	-
		28,96,460	62.97	07-11-2016	23,780	Transfer	28,96,460	62.97
		29,04,160	63.13	07-02-2017	7,700	Transfer	29,04,160	63.13
5.	Smt. P.V. Nirmala Raju	42,000	0.91	N.A	N.A	N.A	42,000	0.91
6.	Shri N.K. Shrikantan Raja	2,100	0.05	N.A	N.A	N.A	2,100	0.05
7.	Shri S. Kanthimathinathan	N.A	N.A	N.A	N.A	N.A	N.A	N.A
8.	Shri P.A. Krishnama Raja*	2,100	0.05	N.A	N.A	N.A	2,100	0.05

\* Shri P.R. Ramasubrahmaneya Rajha, demised on 11-05-2017.

# Shri P.A.S. Krishnama Raja, appointed w.e.f. 19-05-2016

### V. INDEBTEDNESS

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

(Rs. in Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the Beginning of the financial year</b>				
i) Principal Amount	14,975	1,558	-	16,533
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>14,975</b>	<b>1,558</b>	<b>-</b>	<b>16,533</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	5	927	-	932
Reduction	-	-	-	-
<b>Net Change</b>	<b>5</b>	<b>927</b>	<b>-</b>	<b>932</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	14,980	2,485	-	17,465
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>14,980</b>	<b>2,485</b>	<b>-</b>	<b>17,465</b>



# SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM

## ANNEXURE II TO DIRECTORS' REPORT

### VI. REMUNERATION OF DIRECTORS AND KEYMANAGERIAL PERSONNEL

#### A. Remuneration to Managing Director, Whole-time Directors and / or Manager: **(Rs. in Lakhs)**

Sl. No.	Particulars of Remuneration	Smt. B. SriSandhya Raju, Managing Director	Total Amount
1	Gross salary (a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	120.00	120.00
	(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	-	-
5	Others	-	-
	Sitting Fees	0.15	0.15
	Contribution to Provident Fund	14.40	14.40
	Contribution to Superannuation Fund	1.50	1.50
6	Others, please specify	-	-
	<b>Total</b>	<b>136.05</b>	<b>136.05</b>
	Ceiling as per Act	Managing Director remuneration is fixed at 5% of net profits of the Company and in case, no profits or inadequacy of profits, the Managing Director shall be paid the maximum remuneration as per Section II, Part II of Schedule V of the Companies Act, 2013 which works out of Rs.120 Lakhs.	

#### B. Remuneration to other Directors:

##### 1. Independent Directors

Particulars of Remuneration	Name of Directors		Total Amount
	Shri N.K. Shrikantan Raja	Shri P.A.S. Krishnama Raja	
Fee for attending Board / Committee meetings	2.25	1.50	3.75
Commission	-	-	-
Others	-	-	-
<b>Total B (1)</b>	<b>2.25</b>	<b>1.50</b>	<b>3.75</b>

##### 2. Other Non-Executive Directors

Particulars of Remuneration	Name of Directors					Total Amount
	Shri P.R. Ramasubrahmaneya Rajha	Smt. R. Sudarsanam	Shri P.R. Venketrama Raja	Smt. P.V. Nirmala Raju	Shri S. Kanthimathinathan	
Fee for attending board / committee meetings	1.20	0.45	0.30	0.15	1.80	3.90
Commission	-	-	-	-	-	-
Others please specify	-	-	-	-	-	-
<b>Total B (2)</b>	<b>1.20</b>	<b>0.45</b>	<b>0.30</b>	<b>0.15</b>	<b>1.80</b>	<b>3.90</b>
<b>Total B (1) + B (2)</b>						<b>7.65</b>

## SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM

### ANNEXURE II TO DIRECTORS' REPORT

#### C. Remuneration to Key Managerial Personnel other than MD / MANAGER / WTD

Sl. No	Particulars	Key Managerial Personnel	Total Amount (Rs. in Lakhs)	
		-		
1	Gross salary	Nil	Nil	
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961			
	(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			
	<b>Total</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)
<b>A. COMPANY</b>					
Penalty Punishment Compounding			Nil		
<b>B. DIRECTORS</b>					
Penalty Punishment Compounding			Nil		
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty Punishment Compounding			Nil		

On behalf of the Board of Directors,  
For SANDHYA SPINNING MILL LIMITED,

P.R. VENKETRAMA RAJA,  
Chairman

Rajapalaiyam,  
04<sup>th</sup> June, 2017.

# SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM

## ANNEXURE III TO DIRECTORS' REPORT

### DISCLOSURE RELATING TO REMUNERATION UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013, READ WITH THE RULE 5(2) AND (3) OF THE COMPANIES

#### (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Particulars of Top 10 Employees in terms of remuneration drawn and Particulars of Employees, employed throughout the financial year 2016-17 and was in receipt of remuneration in the aggregate of not less than Rs. 102 Lakhs.

Sl. No.	Name	Age (Yrs)	Designation	Remuneration Paid/ Payable Rs. in Lakhs	Qualification and experience (Years)	Date of Commencement of employment	Last Employment
1	Smt.B. SriSandhya Raju	30	Managing Director	135.90	7 Years	May 25, 2009	-
2	Sri B. Somasundaram	33	D.M. Maintenance	6.22	D.E.E.E. 2 Years	August 3, 2015	Savio India Limited
3	Sri D. Sureshkumar	37	M. Production	5.52	D.T.T. 4 Years	September 1, 2013	Loyal Textiles Limited
4	Sri P. Subramanian	44	A.M. Electrical	5.14	D.E.E.E. 12 Years	February 21, 2005	Amaravathi Spinning Limited
5	Sri G. Perumal Raj	48	A.M. Civil	5.13	D.C.E. 27 Years	July 11, 1990	-
6	Sri K. Jayakumar	35	J.M. Electrical	4.47	D.E.E.E. 7 Years	October 15, 2007	-
7	Sri P. Ganesh	43	J.M. Human Resources	4.33	D.C.P., M.L.M. 22 Years	May 24, 1995	-
8	Sri K. Balasubramanian	42	J.M. Material	4.15	B.Com. 14 Years	February 7, 2003	-
9	Sri A. Balamurugan	37	J.M. Maintenance	4.07	D.T.T. 5 Years	August 6, 2012	Sri Govindaraja Mills (P) Limited.
10	Sri D. Srinivasa Kumar	40	J.M. Production	4.00	D.T.T. 5 Years	March 7, 2012	Sun Flats (P) Limited

#### NOTE:

1. The Managing Director's employment is contractual.
2. Remuneration includes Salary, Company's contribution to Provident Fund and Superannuation Fund, but does not include Provision for Gratuity and Leave encashment.
3. None of the employees mentioned above is related to any Directors of the Company except Smt. B. SriSandhya Raju, Managing Director, who is related to Shri P.R. Ramasubrahmaneya Rajha, Chairman (till 11.05.2017). Shri. P.R. Venketrama Raja, Chairman, Smt. R. Sudarsanam, Director and Smt. P.V. Nirmala Raju, Director.

On behalf of the Board of Directors,  
For SANDHYA SPINNING MILL LIMITED,

P.R. VENKETRAMA RAJA,  
Chairman

Rajapalaiyam,  
04<sup>th</sup> June, 2017.

# **SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM**

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## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF M/s. SANDHYA SPINNING MILL LIMITED**

#### **REPORT ON THE FINANCIAL STATEMENTS**

We have audited the accompanying financial statements of SANDHYA SPINNING MILL LIMITED ('the Company'), which comprise the balance sheet as at 31<sup>st</sup> March, 2017, the statement of profit and loss, the statement of Cash Flow for the year then ended and a summary of the significant accounting policies and other explanatory information (herein after referred to as "financial statements").

#### **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 and presentation 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 relevant rules issued there under.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent ; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **AUDITOR'S RESPONSIBILITY**

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 there under.

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

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 31<sup>st</sup> March, 2017, and its financial statements for the year ended on that date.

# SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM

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## AUDITORS' REPORT TO SHAREHOLDERS

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 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, the statement of cash flows 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 relevant rule issued there under;
  - (e) On the basis of the written representations received from the Directors as on 31<sup>st</sup> March, 2017 taken on record by the Board of Directors, none of the Directors is disqualified as on 31<sup>st</sup> March 2017 from being appointed as a Director in terms of Section 164 (2) of the Act;
  - (f) With respect to the 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"; and
  - (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 26(2) to the financial statements;
    - ii. The Company did not have any long-term contracts including derivative contracts - for which there were any 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; and
    - iv. The Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note 26(16) to the financial statements.

For N.A. JAYARAMAN & CO.,  
Chartered Accountants  
FRN-001310S

R. Palaniappan  
Proprietor.  
Membership No. 205112

Rajapalaiyam  
25<sup>th</sup> May, 2017.

**AUDITORS' REPORT TO SHAREHOLDERS**

**SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM**

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**AUDITORS' REPORT TO SHAREHOLDERS**

**ANNEXURE – A TO THE INDEPENDENT AUDITORS' REPORT - 31<sup>ST</sup> MARCH, 2017**

**(Referred to Paragraph 1 under the heading of – “Report on other Legal and Regulatory Requirements” of our report of even date)**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The inventories, except goods in transit, have been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. In respect of inventories lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on verification between the physical stocks and book records were not material.
- (iii) The Company has not granted loans to body corporate covered in the register maintained under Section 189 of the Companies Act, 2013 ('the Act'). Accordingly paragraph (iii) of the Order is not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) The Company has not accepted any deposits within the meaning of Section 73 to 76 of the Act and Companies (Acceptance of Deposits) Rules, 2014 from the public during the year.
- (vi) The Central Government under sub-section (1) Section 148 of the Companies Act, 2013 has specified maintenance of cost records for the Company and such accounts and records have been made and maintained by the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, value added tax, duty of customs, duty of excise, service tax, cess and any other material statutory dues with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other statutory dues were in arrears as at 31<sup>st</sup> March, 2017 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, the following dues of value added tax has not been deposited by the Company on account of disputes:

Name of the Statute	Amount (Rs.in Lakhs)	Forum where the dispute is pending
VAT	21.24	JC (CT) Tirunelveli

## **SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM**

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### **AUDITORS' REPORT TO SHAREHOLDERS**

#### **ANNEXURE – A TO THE INDEPENDENT AUDITORS' REPORT - 31<sup>ST</sup> MARCH 2017**

- (viii) The Company has not defaulted in repayment of loans or borrowing to financial institutions or bank. The Company has not have any loans or borrowings from the government or borrowings by way of debentures.
- (ix) The Company has not raised any money by way of initial public offer (including debt instruments). The moneys raised by way of Term Loans were applied for the purpose for which they were raised.
- (x) 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.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) 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 Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the 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.
- (xiv) According to the information and explanations give 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.
- (xv) 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 in to non-cash transactions with Directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934. Accordingly the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For N.A. JAYARAMAN & CO.,  
Chartered Accountants  
FRN. 001310S

R. Palaniappan  
Proprietor.  
Membership No. 205112

Rajapalaiyam  
25<sup>th</sup> May, 2017.

# **SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM**

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## **AUDITORS' REPORT TO SHAREHOLDERS**

### **“ANNEXURE B” TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF SANDHYA SPINNING MILL LIMITED**

#### **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 Sandhya Spinning Mill Limited (“the Company”) as of 31<sup>st</sup> March, 2017 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.

#### **AUDITORS' RESPONSIBILITY**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risk so of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### **MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations



# **SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM**

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## **AUDITORS' REPORT TO SHAREHOLDERS**

### **ANNEXURE – B TO THE INDEPENDENT AUDITORS' REPORT - 31<sup>ST</sup> MARCH 2017**

of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

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

#### **OPINION**

In our opinion and to the best of our information and according to the explanation given to us, the Company has, in all material respects, and adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For N.A. JAYARAMAN & CO.,  
Chartered Accountants  
FRN. 001310S

R. Palaniappan  
Proprietor.  
Membership No. 205112

Rajapalaiyam  
25<sup>th</sup> May, 2017.

**SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM**  
**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2017**

(Rs. in Lakhs)					
	Note	As at 31-03-2017		As at 31-03-2016	
<b>I EQUITY AND LIABILITIES</b>					
<b>(1) Shareholders' Fund</b>					
(a) Share Capital	1	760.00		760.00	
(b) Reserves and Surplus	2	<u>901.95</u>	1,661.95	<u>581.10</u>	1,341.10
<b>(2) Non Current Liabilities</b>					
(a) Long Term Borrowings	3	7,506.58		8,549.45	
(b) Deferred Tax Liabilities (Net)	4	1,248.21		1,107.21	
(c) Long Term Provisions	5	<u>101.48</u>	8,856.27	<u>88.82</u>	9,745.48
<b>(3) Current Liabilities</b>					
(a) Short Term Borrowings	6	6,915.55		5,159.10	
(b) Trade Payables	7	405.80		262.50	
(c) Other Current Liabilities	8	3,511.48		3,219.77	
(d) Short Term Provisions	9	<u>522.88</u>	11,355.71	<u>365.60</u>	9,006.97
<b>TOTAL</b>			<u><u>21,873.93</u></u>		<u><u>20,093.55</u></u>
<b>II ASSETS</b>					
<b>(1) Non-Current Assets</b>					
<b>(a) Fixed Assets</b>					
(i) Tangible Assets	10	12,939.29		13,736.77	
(ii) Intangible Assets	10	11.11		21.00	
(iii) Capital Work-in-Progress		<u>9.51</u>	12,959.91	<u>1.82</u>	13,759.59
<b>(b) Non-Current Investments</b>	11		5.54		6.42
<b>(c) Long term Loans and Advances</b>	12		467.66		356.77
<b>(2) Current Assets</b>					
(a) Inventories	13	5,301.42		3,301.79	
(b) Trade Receivables	14	1,659.95		1,445.27	
(c) Cash and Cash Equivalents	15	118.92		44.95	
(d) Short Term Loan and Advances	16	591.88		244.08	
(e) Other Current Assets	17	<u>768.65</u>	8,440.82	<u>934.68</u>	5,970.77
<b>TOTAL</b>			<u><u>21,873.93</u></u>		<u><u>20,093.55</u></u>
<b>Significant Accounting Policies</b>	25				
<b>Notes on Financial Statements</b>	26				

The notes form an integral part of these financial statements.

As per our report annexed

For N.A. JAYARAMAN & CO.,  
Chartered Accountants  
FRN-001310S

R. PALANIAPPAN  
Proprietor  
Membership No. 205112

Rajapalaiyam,  
25<sup>th</sup> May, 2017.

B. SRISANDHYA RAJU  
MANAGING DIRECTOR

N.K. SHRIKANTAN RAJA  
DIRECTOR

**SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017**

(Rs. in Lakhs)			
	Note	For the year ended 31-03-2017	For the year ended 31-03-2016
<b>I</b>	<b>REVENUE</b>		
	Revenue from Operations	17,053.66	15,005.54
<b>II</b>	Other Income	52.49	61.05
<b>III</b>	<b>Total Revenue (I+II)</b>	17,106.15	15,066.59
<b>IV</b>	<b>EXPENSES</b>		
	Cost of Materials Consumed	8,617.65	7,679.11
	Trade Purchases	196.54	223.84
	Changes in Inventories of Finished Goods and Work-in-progress	342.08	(864.38)
	Employee Benefit Expenses	1,417.76	1,243.51
	Finance Costs	1,599.97	1,621.52
	Depreciation and Amortization Expenses	1,004.15	1,059.76
	Other Expenses	3,311.07	4,008.04
	<b>Total Expenses</b>	16,489.22	14,971.40
<b>V</b>	<b>Profit Before Exceptional and Extraordinary Items and Tax (III-IV)</b>	616.93	95.19
<b>VI</b>	Exceptional & Extraordinary items	-	-
<b>VII</b>	<b>Profit Before Tax (V+VI)</b>	616.93	95.19
<b>VIII</b>	Income Tax Expenses		
	Current Tax - MAT	128.00	20.00
	Deferred Tax Liability / (Asset)	141.00	(38.00)
	<b>Total Tax Expenses</b>	269.00	(18.00)
<b>IX</b>	<b>Profit after Tax (VII-VIII)</b>	347.93	113.19
<b>X</b>	<b>Earnings per Equity Share of Rs. 10/- each</b>		
	Basic & Diluted (In Rupees) [Refer to Note 26(13)]	7.56	2.46
	<b>Significant Accounting Policies</b>	25	
	<b>Notes on Financial Statements</b>	26	

The notes form an integral part of these financial statements.

As per our report annexed

For N.A. JAYARAMAN & CO.,  
Chartered Accountants  
FRN-001310S

R. PALANIAPPAN  
Proprietor  
Membership No. 205112

Rajapalaiyam,  
25<sup>th</sup> May, 2017.

B. SRISANDHYA RAJU  
MANAGING DIRECTOR

N.K. SHRIKANTAN RAJA  
DIRECTOR

**SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017**

	(Rs. in Lakhs)	
	2016-17	2015-16
<b>A. Cash Flow from Operating Activities</b>		
<b>Net Profit before tax and extraordinary items</b>	<b>616.93</b>	95.19
Adjustments for :		
Depreciation	1,004.15	1,059.76
Interest paid	1,599.97	1,621.52
Interest Received	(34.40)	(27.48)
Dividend Received	-	(0.03)
Loss / (Profit) on sale of assets	25.84	(18.78)
Operating Profit before Working Capital Changes	<u>3,212.49</u>	2,730.18
Adjustments for :		
Trade Receivables	(214.68)	244.33
Loans and Advances	(138.49)	(374.64)
Inventories	(1,999.63)	266.58
Trade Payables & Current liabilities	386.96	(269.77)
Cash generated from Operations	<u>1,246.65</u>	2,596.68
Income tax Paid	(282.17)	(24.97)
<b>Net Cash generated from Operating Activities</b>	<b>A</b> <u><u>964.48</u></u>	<u><u>2,571.71</u></u>
<b>B. Cash Flow from Investing Activities :</b>		
Purchase of Fixed Assets	(285.89)	(181.09)
Sale of Investments	0.88	-
Purchase of Investments	-	(0.72)
Sale of assets	55.58	54.30
Interest received	34.40	27.48
Dividend received	-	0.03
<b>Net Cash used in Investing Activities</b>	<b>B</b> <u><u>(195.03)</u></u>	<u><u>(100.00)</u></u>
<b>C. Cash Flow from Financing Activities :</b>		
Proceeds from Long Term borrowings	2,000.00	3,000.00
Repayment of Long Term Loan	(2,824.88)	(2,819.97)
Availment/(Repayment) of Short Term Borrowings (Net)	1,756.45	(1,145.06)
Payment of Dividend and Tax thereon	(27.08)	(11.42)
Interest Paid	(1,599.97)	(1,621.52)
<b>Net Cash used in Financing Activities</b>	<b>C</b> <u><u>(695.48)</u></u>	<u><u>(2,597.97)</u></u>
<b>Net Increase / (Decrease) in Cash and Cash Equivalent</b>	<b>(A+B+C)</b> <u><u>73.97</u></u>	<u><u>(126.26)</u></u>
<b>Opening balance of Cash and Cash Equivalents</b>	<b>D</b> <u><u>44.95</u></u>	<u><u>171.21</u></u>
<b>Closing balance of Cash and Cash Equivalents</b>	<b>E</b> <u><u>118.92</u></u>	<u><u>44.95</u></u>
<b>Net Increase in Cash and Cash Equivalent</b>	<b>(E-D)</b> <u><u>73.97</u></u>	<u><u>(126.26)</u></u>

As per our report annexed

For N.A. JAYARAMAN & CO.,  
Chartered Accountants  
FRN-001310S

R. PALANIAPPAN  
Proprietor  
Membership No. 205112

Rajapalaiyam,  
25<sup>th</sup> May, 2017.

B. SRISANDHYA RAJU  
MANAGING DIRECTOR

N.K. SHRIKANTAN RAJA  
DIRECTOR

**SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

(Rs. in Lakhs)

Particulars	As at 31-03-2017	As at 31-03-2016
-------------	---------------------	---------------------

**Note : 1**

**SHARE CAPITAL**

**Authorised**

60,00,000 Equity Shares of Rs.10/- each (PY: 60,00,000 Equity Shares of Rs.10/- each)	600.00	600.00
40,00,000 7.50% Cumulative Redeemable Preference Shares of Rs.10/- each (PY: 40,00,000 7.50% Cumulative Redeemable Preference Shares of Rs.10/- each)	400.00	400.00
	<b>1,000.00</b>	<b>1,000.00</b>

**Issued, Subscribed and fully paid-up**

46,00,000 Equity Shares of Rs.10/- each (PY: 46,00,000 Equity Shares of Rs.10/- each)	460.00	460.00
30,00,000 7.50% Cumulative Redeemable Preference Shares of Rs.10/- each* (PY: 30,00,000 7.50% Cumulative Redeemable Preference Shares of Rs.10/- each*)	300.00	300.00
	<b>760.00</b>	<b>760.00</b>

**A. Reconciliation of the number of shares outstanding**

Particulars	As at 31-03-2017		As at 31-03-2016	
	No. of Shares	Amount	No. of Shares	Amount
<b>Equity Shares</b>				
Number of shares at the beginning	46,00,000	460.00	46,00,000	460.00
Issued during the year	-	-	-	-
Number of Shares at the end	46,00,000	460.00	46,00,000	460.00
<b>Preference Shares</b>				
Number of shares at the beginning	30,00,000	300.00	30,00,000	300.00
Issued during the year	-	-	-	-
Number of Shares at the end	30,00,000	300.00	30,00,000	300.00

**B. List of Shareholders holding more than 5 percent in the Company**

Particulars	As at 31-03-2017		As at 31-03-2016	
	No. of Shares	% of holding	No. of Shares	% of holding
<b>(I) Equity Shares</b>				
Smt. B. SriSandhya Raju	29,04,160	63.13%	28,72,680	62.45%
Master Vikramaditya Raju, M/G Smt. B. SriSandhya Raju	4,18,600	9.10%	4,18,600	9.10%
<b>(II) 7.50% Cumulative Redeemable Preference Shares</b>				
Smt.B. SriSandhya Raju	30,00,000	100.00%	30,00,000	100.00%

\* The Preference Shares of Rs.3 crores shall be redeemable at par, anytime after the expiry of 2 years, in a overall period of 20 years in single or multiples instalments, at the option of the company.

**SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

Particulars	(Rs. in Lakhs)	
	As at 31-03-2017	As at 31-03-2016
<b>Note : 2</b>		
<b>RESERVES AND SURPLUS</b>		
<b>Securities Premium Reserve</b>		
Balance as per Last Financial Statement	58.37	58.37
<b>General Reserve</b>		
Balance as per Last Financial Statement	347.38	285.41
Add : Transfer from Surplus Account	296.20	100.00
Less: Residual Value of Assets whose remaining useful life is nil, net of Deferred Tax. [Refer to Note No. 26(10)]	-	38.03
	643.58	347.38
<b>Surplus in the Statement of Profit and Loss</b>		
Opening Balance	175.35	189.24
Add: Profit for the Year	347.93	113.19
	523.28	302.43
Less: Appropriations		
Preference Dividends	22.50	22.50
Tax on Propped Dividend	4.58	4.58
Transfer to General Reserve	296.20	100.00
	323.28	127.08
	200.00	175.35
	901.95	581.10

**Note : 3**

**LONG TERM BORROWINGS**

**Secured**

Term Loan from Banks 6,946.58 7,989.45

**Unsecured**

Loan from Other Parties 560.00 560.00

**7,506.58** **8,549.45**

- a) Term Loan from Banks are secured by pari-passu first charge on the fixed assets of the Company and a pari-passu second charge on the current assets of the Company.
- b) The Long Term Loans borrowings from Banks are repayable in quarterly/half yearly installments. The year wise repayment of Term Loans are as follows:

Year	Amount	Amount
2017-18	-	2,792.88
2018-19	2,819.43	2,569.43
2019-20	1,791.43	1,341.43
2020-21	1,435.72	785.71
2021-22	900.00	500.00
<b>Total</b>	<b>6,946.58</b>	<b>7,989.45</b>

**SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

Particulars	As at 31-03-2017	As at 31-03-2016
<b>(Rs. in Lakhs)</b>		
<b>Note : 4</b>		
<b>DEFERRED TAX LIABILITY (NET)</b>		
<b>Deferred Tax Liability</b>		
Tax effect on difference between book depreciation and depreciation under the Income Tax Act, 1961	3,013.07	3,007.91
<b>Deferred Tax Asset</b>		
Tax effect on unabsorbed depreciation under Income Tax Act, 1961	(1,699.89)	(1,829.60)
Tax effect on Provision for Bonus and Leave Encashment	(64.97)	(71.10)
Net Deferred Tax Liability	<u>1,248.21</u>	<u>1,107.21</u>
Deferred Tax Assets calculated on the unabsorbed depreciation is based on the recent assessment orders & estimated depreciation loss calculated as per the provision of the Income Tax Act, 1961 for the current financial year.		
<b>Note : 5</b>		
<b>Long Term Provision</b>		
Provision for Employee Benefits	101.48	88.82
	<u>101.48</u>	<u>88.82</u>
<b>Note : 6</b>		
<b>SHORT TERM BORROWINGS</b>		
<b>Secured</b>		
Loan Repayable on Demand from Banks *	4,991.00	4,160.78
<b>Unsecured</b>		
Loan Repayable on Demand from Banks	1,658.75	726.05
Loan from Related Parties [Refer Note No.26(14e)]	32.00	-
Loan from Related Parties [Refer Note No.26(6)]	233.80	272.27
	<u>6,915.55</u>	<u>5,159.10</u>
* Loan Repayable on Demand from Banks are secured by pari-passu first charge on the current assets of the Company and pari-passu second charge on the fixed assets of the Company.		
<b>Note : 7</b>		
<b>TRADE PAYABLES</b>		
Trade Payables	405.80	262.50
	<u>405.80</u>	<u>262.50</u>
<b>Note : 8</b>		
<b>OTHER CURRENT LIABILITIES</b>		
Current Maturities of Long Term Debt	3,042.88	2,824.89
Interest Accrued but not Due on Borrowings	7.22	-
Unclaimed Dividends	6.01	6.02
Liabilities for Other Finance	455.37	388.86
	<u>3,511.48</u>	<u>3,219.77</u>
<b>Note : 9</b>		
<b>SHORT TERM PROVISIONS</b>		
Provision for Employee Benefits	163.84	132.67
Provision for Taxation	331.96	205.85
Preference Dividend	22.50	22.50
Provision for Tax on Preference Dividend	4.58	4.58
	<u>522.88</u>	<u>365.60</u>

**SANDHYA SPINNING MILL LIMITED**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

Note : 10  
FIXED ASSETS

(Rs. in Lakhs)

Particulars	Year	Gross block				Depreciation				Net block		
		At the beginning of the year	Additions	Deductions	As at the end of year	At the beginning of the year	For the year	Deductions	Withdrawn	As at the end of the year	As at the beginning of the year	
<b>Tangible Assets</b>												
Land	2016-17	278.50	-	-	278.50	-	-	-	-	-	278.50	278.50
	2015-16	278.50	-	-	278.50	-	-	-	-	-	278.50	278.50
Buildings	2016-17	2,554.42	-	-	2,554.42	-	79.77	-	-	931.36	1,623.06	1,702.83
	2015-16	2,550.76	3.66	-	2,554.42	-	82.20	-	-	851.59	1,702.83	1,781.37
Plant and machinery	2016-17	19,510.55	254.58	133.35	19,631.78	-	808.90	-	51.96	8,880.16	10,751.62	11,387.33
	2015-16	19,447.41	156.84	93.70	19,510.55	-	825.25	52.45	60.50	8,123.22	11,387.33	12,141.39
Electrical machinery	2016-17	968.63	21.42	0.64	989.41	-	95.65	-	0.61	760.66	228.75	303.01
	2015-16	958.95	9.96	0.28	968.63	-	132.33	4.37	0.27	665.62	303.01	429.76
Furniture & Office Equipments	2016-17	145.36	2.20	0.07	147.49	-	5.18	-	0.07	110.45	37.04	40.02
	2015-16	141.06	6.11	1.81	145.36	-	5.45	-	1.69	105.34	40.02	39.48
Vehicles	2016-17	39.37	-	-	39.37	-	4.76	-	-	19.05	20.32	25.08
	2015-16	36.56	7.72	4.91	39.37	-	4.62	-	2.72	14.29	25.08	24.17
<b>Total - Tangible Assets</b>	2016-17	<b>23,496.83</b>	<b>278.20</b>	<b>134.06</b>	<b>23,640.97</b>	-	<b>994.26</b>	-	<b>52.64</b>	<b>10,701.68</b>	<b>12,939.29</b>	<b>13,736.77</b>
	2015-16	23,413.24	184.29	100.70	23,496.83	-	1,049.85	56.82	65.18	9,760.06	13,736.77	14,694.67
<b>Intangible Assets</b>												
Computer Software	2016-17	25.70	-	-	25.70	-	-	-	-	24.42	1.28	1.28
	2015-16	25.70	-	-	25.70	-	-	-	-	24.42	1.28	1.28
Dedicated Feeder Line	2016-17	35.14	-	-	35.14	-	9.89	-	-	25.31	9.83	19.72
	2015-16	35.14	-	-	35.14	-	9.91	-	-	15.42	19.72	29.63
<b>Total - Intangible Assets</b>	2016-17	<b>60.84</b>	-	-	<b>60.84</b>	-	<b>9.89</b>	-	-	<b>49.73</b>	<b>11.11</b>	<b>21.00</b>
	2015-16	60.84	-	-	60.84	-	9.91	-	-	39.84	21.00	30.91



**SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

(Rs. in Lakhs)

As at  
31-03-2017                      As at  
31-03-2016

**Note : 11**

**NON-CURRENT INVESTMENTS**

**I. Investment in Equity Instruments, Non - Trade**

Name of the Company	No.of. Shares	Total face Value Rs.	Cost	Cost
<b>a) Quoted</b>				
Rajapalayam Mills Limited	500	0.05	<b>0.69</b>	0.69
<b>Total quoted Investment</b>	(A)		<b>0.69</b>	0.69
<b>b) Unquoted</b>				
Ontime Industrial Services Limited	20,000	2.00	<b>2.00</b>	2.00
Ramco Windfarms Limited	2,40,000	2.40	<b>2.40</b>	3.00
ARS.Energy Pvt Limited Equity Shares	160	0.16	<b>0.44</b>	0.72
<b>Total un-quoted Investments</b>	(B)		<b>4.84</b>	5.72
<b>II. Other Non-current Investment, Non-Trade</b>				
Ramco Group Employees' Co-operative Stores Limited	50	0.01	<b>0.01</b>	0.01
<b>Total other Investment</b>	(C)		<b>0.01</b>	0.01
<b>Aggregate Value of Investments</b>	(A+B+C)		<b>5.54</b>	6.42
<b>Aggregate Value of:</b> Quoted Investments - Cost			<b>0.69</b>	0.69
Market Value			<b>4.24</b>	1.72
Unquoted Investments - Cost			<b>4.84</b>	5.72

**Note : 12**

**LONG TERM LOANS AND ADVANCES**

**Unsecured, Considered Good**

Security Deposits	<b>467.66</b>	356.77
	<b>467.66</b>	356.77

**SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

Particulars	As at 31-03-2017	As at 31-03-2016
<b>(Rs. in Lakhs)</b>		
<b>Note : 13</b>		
<b>INVENTORIES</b>		
Finished Goods	1,066.53	1,314.54
Rawmaterials - Cotton & Cotton Waste	3,789.23	1,453.21
Stores, Spares, Fuel and Packing Materials	72.80	67.10
Work-in-Progress (Cotton Yarn)	372.86	466.94
	<u>5,301.42</u>	<u>3,301.79</u>
Mode of valuation of inventories are disclosed in Significant Accounting Policies in Note 25(3).		
<b>Note : 14</b>		
<b>TRADE RECEIVABLES</b>		
<b>Unsecured, considered good</b>		
Trade Receivables less than six months	1,659.95	1,445.27
	<u>1,659.95</u>	<u>1,445.27</u>
<b>Note : 15</b>		
<b>CASH AND BANK BALANCES</b>		
Cash on Hand	0.88	1.40
<b>Balance with Bank</b>		
In Current Account	5.04	13.13
In Deposit Account for Margin Money	102.96	23.53
In Unclaimed Dividend Warrant Account	6.01	6.02
Cheques on hand	4.03	0.87
	<u>118.92</u>	<u>44.95</u>
<b>Note : 16</b>		
<b>SHORT TERM LOANS AND ADVANCES</b>		
<b>Unsecured, considered good</b>		
Advance to Suppliers / Others	226.82	33.19
Advance Income-Tax paid and TDS	365.06	210.89
	<u>591.88</u>	<u>244.08</u>
<b>Note : 17</b>		
<b>OTHER CURRENT ASSETS</b>		
Accrued Income	648.82	791.38
Prepaid Expenses	83.61	79.03
Other Current Assets	36.22	64.27
	<u>768.65</u>	<u>934.68</u>

**SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

Particulars	For the year ended 31-03-2017		For the year ended 31-03-2016	
<b>(Rs. in Lakhs)</b>				
<b>Note : 18</b>				
<b>REVENUE FROM OPERATION</b>				
<b>Sale of Products</b>				
Yarn	16,704.78		13,595.41	
Fabric	177.99		1,189.98	
Waste Cotton	94.13	16,976.90	77.44	14,862.83
<b>Other operating revenues</b>				
Export Incentive		59.74		33.02
Textile Processing Charges Received		17.02		109.69
		<u>17,053.66</u>		<u>15,005.54</u>
<b>Note : 19</b>				
<b>OTHER INCOME</b>				
Interest Received		34.40		27.48
Dividend Income		-		0.03
Profit on Sale of Assets		1.35		19.88
Carbon Credit Sale		-		0.29
Industrial Promotion Assistance		-		4.20
Miscellaneous Income		2.73		1.98
Exchange Gain on Foreign Currency Transactions		14.01		7.19
		<u>52.49</u>		<u>61.05</u>
<b>Note : 20</b>				
<b>COST OF MATERIALS CONSUMED</b>				
<b>Ramw Material Consumed</b>				
Cotton & Cotton Waste		8,617.65		7,679.11
		<u>8,617.65</u>		<u>7,679.11</u>
<b>Note : 21</b>				
<b>CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS</b>				
<b>Opening Stock</b>				
Finished Goods	1,314.53		586.95	
Work-in-Progress	466.94	1,781.47	330.14	917.09
<b>Less:</b>				
<b>Closing Stock</b>				
Finished Goods	1,066.53		1,314.53	
Work-in-Progress	372.86	1,439.39	466.94	1,781.47
Net Decrease / (Increase) in Stock		<u>342.08</u>		<u>(864.38)</u>

**SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

Particulars	(Rs. in Lakhs)	
	For the year ended 31-03-2017	For the year ended 31-03-2016
<b>Note : 22</b>		
<b>EMPLOYEE BENEFITS EXPENSES</b>		
Salaries , Wages and Bonus	1,187.90	1,026.33
Contribution to Provident and Other Funds	165.05	152.77
Staff and Labour Welfare Expenses	64.81	64.41
	<u>1,417.76</u>	<u>1,243.51</u>
<b>Note : 23</b>		
<b>FINANCE COSTS</b>		
Interest Expenses	1,532.89	1,605.89
Exchange Fluctuation (Net) applicable to Finance Costs	62.11	-
Other Borrowing Costs	4.97	15.63
	<u>1,599.97</u>	<u>1,621.52</u>
<b>Note : 24</b>		
<b>OTHER EXPENSES</b>		
<b>Manufacturing Expenses</b>		
Power and Fuel	1,494.25	2,233.93
Packing Materials Consumption	247.84	258.37
Repairs to Building	25.58	25.09
Repairs to Plant and Machinery	441.71	313.10
Repairs - General	280.51	248.95
Textile Processing Charges Paid	63.06	297.15
	<u>2,552.95</u>	<u>3,376.59</u>
<b>Establishment Expenses</b>		
Managing Director Remuneration	135.90	135.40
Rates and Taxes	35.00	27.93
Insurance	18.75	19.31
Postage and Telephone	4.87	6.55
Printing and Stationery	6.47	6.28
Travelling Expenses	26.73	39.20
Vehicle Maintenance	22.88	21.65
Exchange Loss on Foreign Currency Transactions	9.31	24.72
Directors Sitting Fees	7.80	6.90
Rent	23.22	25.62
Audit and Legal Expenses	13.62	16.02
Corporate Social Responsibility Expenses	7.96	2.68
Loss on Sales of Assets	27.19	1.11
Miscellaneous Expenses	61.75	62.52
	<u>401.45</u>	<u>395.89</u>
<b>Selling Expenses</b>		
Sales Commission	197.14	140.51
Export Expenses	51.45	24.84
Other Selling Expenses	108.08	70.21
	<u>356.67</u>	<u>235.56</u>
	<u>3,311.07</u>	<u>4,008.04</u>

**SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

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**Note : 25**

**SIGNIFICANT ACCOUNTING POLICIES**

**1. Basis of preparation and presentation of financial statements**

- (i) The financial statements have been prepared under the historical cost convention and in accordance with the generally accepted accounting principles in India, and in compliance of the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with the Rule 7 of the Companies(Accounts) Rules, 2014.
- (ii) The accounting policies that are adopted in preparation of the financial statements are consistently followed as in the previous years except for change in the accounting policy for depreciation as given below:  

The Company was previously depreciating its tangible assets based on useful life prescribed by the schedule II of the Companies Act, 2013. With effect from 1-4-2015, it became mandatory that the computation of depreciation has to be done based on useful life of significant components that are materially different from the remaining components of those assets. Accordingly, the useful life and the value of such components of tangible asset have been determined based on technical advice.

As per the transitional provisions of Schedule II of the Companies Act, 2013 the Company opted to adjust the carrying amount of the components of asset as on 1-4-2015 in the General Reserve, where the remaining useful life of components of such assets is Nil after retaining the residual value of 5%, net of applicable adjustment of deferred taxes.
- (iii) The financial statements are presented in Indian Rupees and the amounts are rounded to the nearest Lakhs with two decimals, except as stated otherwise.
- (iv) The Company generally follows mercantile system of accounting and recognizes significant items of income and expenditure on accrual basis.
- (v) The Company has considered its operating cycle as 12 months for the purpose of Current or Non-current classification of assets and liabilities.
- (vi) The previous year figures are regrouped / restated wherever necessary.

**2. Use of Estimates**

- (i) The preparation of financial statements in accordance with the generally accepted accounting principles requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates in the future periods.
- (ii) Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognized prospectively in current and future periods.

**3. Inventories**

- (i) Raw materials, stores, spares, packing materials etc., are valued at cost including the cost incurred in bringing the inventories to their present location and condition after providing for obsolescence and other losses or net realizable value whichever is lower. However, these items are considered to be realizable at cost, if the finished products, in which they will be used, are expected to be sold at or above cost.
- (ii) Process stock is valued at cost including the cost of conversion with systematic allocation of production and administration overheads or net realisable value whichever is lower.
- (iii) Finished goods are valued at cost or net realisable value whichever is lower. Cost includes cost of conversion and other costs incurred in bringing the inventory to their present location and condition.
- (iv) Net realizable value is the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale.

**4. Cash flow statement**

- (i) Cash flows are presented using indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.

**SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

- (ii) Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances, highly liquid investments that are readily convertible into cash.

**5. Depreciation & Amortization**

- (i) Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life. The depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less 5% being its residual value, except for process control systems whose residual value is considered as Nil.
- (ii) Freehold lands are not depreciated.
- (iii) Depreciation is provided on straight-line method based on useful life of significant components of certain class of tangible assets viz., Plant & Machinery and Electrical Machinery based on technical advice.
- (iv) The Company determines the useful life of the significant components of certain class of tangible assets on best estimate basis upon technical advice, which is different from the useful life of remaining asset as prescribed under Part C of Schedule II of the Companies Act, 2013, as below:

Type of Plant and Machinery	Useful life of such components ranging from
Textile Machineries / Equipment	10 to 25 Years
Wind Mills	22 to 30 Years
DG Sets	12 to 25 Years
Electrical Machineries	3 to 25 Years

- (v) The Company does not consider it appropriate to componentise certain class of tangible assets viz., Building, Furniture & Office Equipments and Vehicles as these assets are generally replaced in entirety. For these classes of assets, the useful life prescribed in Schedule II to the Companies Act, 2013 have been adopted.
- (vi) Depreciation for tangible assets on additions is calculated on pro-rata basis from the date of such additions. For deletion/disposals, the depreciation is calculated on pro-rata basis upto the date on which such assets have been discarded / sold.
- (vii) Intangible Assets are amortised over their estimated useful life on straight line method. The estimated useful lives of intangible assets and included in "Depreciation and Amortisation" as below:

Nature of Intangible assets	Estimated useful life
Computer software	6 years
Power transmission system	5 years

- (viii) The estimated useful life of the both tangible and intangible assets is reviewed each financial year to reflect the changed pattern, if any.

**6. Revenue recognition**

- (i) Revenue is recognised to the extent that is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.
- (ii) Revenue from Operations:
- a. Sale of products is recognised when the significant risks and rewards of ownership of the goods have been passed to the buyer. Sale value excludes Excise duty, Education Cess, Secondary and Higher education cess, trade discounts, VAT /CST and sales returns, if any.
  - b. Income from Textile Processing:  
Income from Textile Processing is recognized on the basis of work executed as per the contract / agreement.
  - c. Power generated from Wind Mills:  
The monetary value of the power generated at wind farms that are consumed at Mills under wheeling and banking arrangement with TANGEDCO are not treated as revenue but have been set off against the cost of Power & Fuel.

**SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

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- (iii) Other Income:
  - a. Dividend income is recognised when the Company's right to receive dividend is established by the reporting date.
  - b. Industrial promotion assistance (IPA) is recognised when the Company's right to receive the same is established with reasonable certainty.
  - c. Interest income and Rental income are recognised on time proportion basis.
  - d. Scrap Sales does not include Excise duty, Education Cess, Secondary and Higher education cess, VAT / CST.
  - e. Sale of carbon credits are recognised upon execution of firm sale contract for the eligible credits.

**7. Tangible Fixed Assets**

- (i) Tangible Fixed Assets are stated at cost of acquisition (net of CENVAT/VAT wherever applicable) less accumulated depreciation/amortisation and impairment losses if any, except freehold land which is carried at cost. The cost comprises purchase price, borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the asset beyond its previously assessed standard of performance.

Machinery spares that are purchased along-with the original equipments, machineries which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalized at cost.

Pursuant to Schedule II of the Companies Act, 2013 the Company has componentized all the tangible fixed assets except furniture and office equipments and vehicles. The cost of replacement of significant components are capitalized and the carrying amount of replaced components are de-recognised.

All other expenses on fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

- (ii) Fixed assets acquired in full or part exchange for another asset are recorded at the fair market value or the net book value of the asset given up, adjusted for any balancing cash transaction. Fair market value is determined either for the assets acquired or asset given up, whichever is more clearly evident.
- (iii) Gains or losses arising from disposal of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of such assets are recognised in the statement of profit and loss under "Other Income".
- (iv) Projects / tangible fixed assets which are not yet ready for their intended use are carried at cost, including related expenses and attributable interest are recognised as Capital Work-in-Progress.

**8. Foreign Currency Transactions**

- (i) Transactions in Foreign Currency are accounted at the exchange rates prevailing at the time of transaction. The difference in exchange rates arising on the settlement of monetary items are recognized as income or expenses in the Statement of Profit and Loss.
- (ii) Monetary Assets and Liabilities in foreign currencies that are covered under a forward contract are accounted at the rate at which they have been covered. Uncovered Monetary Assets and liabilities in foreign currencies are accounted at the rates as on the Balance Sheet date. The exchange difference on account of this is recognized in the Statement of Profit and Loss.
- (iii) The difference between the forward rate and the exchange rate at the inception of a forward exchange contract is recognized as income or expense over the life of contract. Any profit or loss arising on cancellation or renewal of such forward exchange contract is recognized as income or expense in the period in which such cancellation or renewal is made.

**SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

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**9. Government Subsidy / Grant**

- (i) Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same. Receivables of such benefits are shown under Loans and advances.
- (ii) Revenue related grants are recognised upon fulfilment of condition attached thereto on accrual basis, wherever there is reasonable certainty and are disclosed as under:
  - (a) Interest subsidy under Technology Up-gradation Fund Scheme (TUFS) is recognised on accrual basis and credited to the Interest and Finance cost.
  - (b) Power Subsidy under Industrial Investment Promotion Policy of Andhra Pradesh is credited to the Power & Fuel cost.
  - (c) Other subsidies under Industrial Investment Promotion Policy of Andhra Pradesh are credited to Industrial Promotion Assistance under Note No.19 "Other Income".

**10. Investments**

- (i) All Investments being non-current and non-trade are valued at cost. Cost of investments include acquisition charges such as brokerage, fees and duties.
- (ii) The carrying amount of long term investments is determined on an individual investment basis.
- (iii) As at the Balance Sheet date, provision for diminution, if any, is made to recognise the decline other than temporary, in the value of investments. The reduction in carrying amount is charged to statement of profit and loss. This reduction amount is reversed when there is rise in the value of investment other than temporary.

**11. Investment Property**

- (i) An investment in land or buildings, which is not intended to be occupied substantially for use by, or in the operations of the Company, is classified as investment property.
- (ii) Investment properties are stated at cost, net of accumulated depreciation and accumulated impairment loss if any.
- (iii) Depreciation on buildings under investment property, which are held for rental to others, is calculated on straight-line method based on useful life prescribed under Schedule II to the Companies Act, 2013.
- (iv) As at the Balance Sheet, provision for diminution, if any is made to recognize the decline other than temporary, in the value of investment property. The reduction in carrying amount is charged to statement of profit and loss. This reduction amount is reversed when there is a rise in the value of investment property, other than temporary.
- (v) Gains or losses arising from disposal of investment properties are measured as the difference between the net disposal proceeds and the carrying amount of such investment properties are recognised in the statement of profit and loss.

**12. Employee Benefits**

- (i) Short-term employee benefit viz., Salaries and Wages, are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss for the year in which the related service is rendered.
- (ii) Defined Contribution plan viz., Contributions to Provident fund and Superannuation fund are recognized as an expense in the Statement of Profit and Loss for the year in which the employees have rendered services.
- (iii) The Company contributes to Provident fund administered by the Government on a monthly basis at 12% of employee's basic salary.
- (iv) The Company also contributes for superannuation a sum equivalent to 15% of the employee's eligible annual basic salary subject to a maximum of Rs. 1.50 Lakhs per employee to Sandhya Spinning Mill Limited Officers' Superannuation Fund administered by trustees and managed by LIC of India.

There are no other obligations other than the above defined contribution plans.



**SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

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(v) **Defined Benefit Plan:**

**Gratuity:**

The Company has its own approved Gratuity Fund. It is in the form of lump sum payments to vested employees on resignation, retirement, death while in employment or on termination of employment of an amount equivalent to 15 Day's basic salary payable for each completed year of service. Vesting occurs upon completion of five years of continuous service. The Company makes annual contributions to "Sandhya Spinning Mill Limited Employees' Gratuity Fund" administered by trustees and managed by LIC of India, based on the actuarial valuation by an independent external actuary as at the Balance sheet date using the projected unit credit method.

**Leave Encashment:**

The Company has a policy of allowing encashment of un-availed leave for its employees. The expense is recognized at the present value of the amount payable determined based on an independent external actuarial valuation as at the balance sheet date, using projected unit credit method.

**13. Borrowing Costs**

- (i) Borrowing cost include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan.
- (ii) Borrowing costs that are directly attributable to the acquisition and construction of qualifying assets are capitalized as part of the cost of those assets upto the date of capitalization of such asset.

**14. Segment Reporting**

- (i) The company prepares its segment information in conformity with accounting policies adopted for preparing and presenting the financial statements of the company as a whole.
- (ii) The Company identifies business segment as the primary segment. Under the primary segment, there are two reportable segments viz., Textiles and Power generation from Windmills.
- (iii) Segments were identified considering the nature of the products, the differing risks and returns as per Accounting Standard -17 (Segment Reporting).

The inter-segment transfers of units of power from windmills are recognized at the applicable tariff rates of the electricity boards for the purpose of segment reporting as per the relevant accounting standard.

- (iv) Costs are allocated to the respective segment based upon the actual incidence of respective cost. Unallocated items include general other income and expenses which are not allocated to any business segment.

**15. Earnings per share**

Net profit after tax is divided by weighted average number of equity shares outstanding during the year as stipulated in Accounting Standard - 20 (Earnings per share).

**16. Income tax**

- (i) The tax provision is considered as stipulated in Accounting Standard-22 (Accounting for Taxes on income) and includes current and deferred tax.
- (ii) Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income tax Act, 1961 and other applicable tax laws.
- (iii) Deferred tax is recognized on timing difference between taxable income and the accounting income that originates in one period and is capable of reversal in one or more subsequent periods. It is measured using the tax rates and the tax laws enacted or substantially enacted as on the reporting date.
- (iv) Current and Deferred tax on items directly recognized in reserves is also recognized in reserves and not in the Statement of Profit and Loss.

**SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

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**17. Intangible Assets**

- i. The costs of computer software that are installed are accounted at cost of acquisition of such software and are carried at cost less accumulated amortisation and impairment, if any. Internally generated software is not capitalized and the expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.
- ii. The cost incurred for establishing power transmission system for drawl of power from State grid to the Company's grinding unit is capitalised as the Company is expected to yield future economic benefits for its unrestricted usage.
- iii. The intangible assets that are not yet ready for their intended use are carried at cost including related expenses and attributable interest are recognised as Intangible assets under development.

**18. Impairment of Assets**

- (i) The carrying values of tangible assets, cash generating units and intangible assets at each balance sheet date are reviewed for impairment if any indication of impairment based on internal and external factors exists.
- (ii) Tangible asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value. The intangible assets are treated as impaired when the asset is not available for use and no future economic benefits are expected from its use. After recognition of impairment loss, the depreciation for the fixed assets is provided for remaining useful life based on the revised carrying amount, less its residual value if any, on straight line basis.
- (iii) An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired.
- (iv) An impairment loss is reversed when there is an indication that the impairment loss may no longer exist or may have decreased.

**19. Provision, Contingent Liabilities and Contingent Assets**

- (i) Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources in respect of which a reliable estimate can be made. Such provisions are not discounted to their present value except relating to retirement benefits. These provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates.
- (ii) Insurance claims are accounted for on the basis of claims admitted or expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.
- (iii) Contingent liability is a possible obligation that may arise from past events and its existence will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the same are not recognised but disclosed its existence in the financial statements. Contingent Assets are neither recognised nor disclosed.

**SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

**Note: 26**

**OTHER DISCLOSURES**

(Rs. in Lakhs)

	As at 31-03-2017	As at 31-03-2016															
1. Contingent Liabilities																	
Liability on Letter of Credit opened																	
Capital Goods	NIL	NIL															
Others	NIL	NIL															
2. Commitments																	
(i) Estimated amount of contracts remaining to be executed on capital account not provided	NIL	NIL															
(ii) Other Commitments:																	
Liability on guarantees given by the bankers	NIL	NIL															
Liability on guarantees given to the bankers	NIL	NIL															
Disputed VAT Liability	21.24	21.24															
3. Sales Tax Assessment upto year ended 31 <sup>st</sup> March, 2015, has been completed.																	
4. Income tax assessment has been completed upto the Accounting Year ended on 31-03-2014 i.e., Assessment year 2014-15. The Company has preferred Appeals before Appellate Authorities in respect of Sec. 14A disallowance of Rs.0.45 Lakhs for the Assessment year 2014-15.																	
5. In respect of Electricity matters, Appeals / Writ petition are pending with TNERC / APTEL / High Court for various matters for which no provision has been made in the books of accounts to the extent of Rs.188.41 Lakhs (P.Y. Rs. 188.41 Lakhs).																	
In the opinion of the management, there may not be any tax liability on the above matters mentioned in point no. 4 and 5 above.																	
6. Details of Loans from Directors under "Loan from Related Parties" are:																	
	<table border="0" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;"></th> <th style="text-align: center; width: 20%;">Closing Balance as on</th> <th style="text-align: center; width: 20%;">Interest Paid</th> </tr> <tr> <td></td> <th style="text-align: center;">31-03-2017</th> <th style="text-align: center;">31-03-2016</th> </tr> </thead> <tbody> <tr> <td>Smt. B. SriSandhya Raju</td> <td style="text-align: right;">220.34</td> <td style="text-align: right;">256.16</td> </tr> <tr> <td>Smt. P.V. Nirmala Raju</td> <td style="text-align: right;">13.46</td> <td style="text-align: right;">16.11</td> </tr> <tr> <td></td> <td style="text-align: right; border-top: 1px solid black;">233.80</td> <td style="text-align: right; border-top: 1px solid black;">272.27</td> </tr> </tbody> </table>			Closing Balance as on	Interest Paid		31-03-2017	31-03-2016	Smt. B. SriSandhya Raju	220.34	256.16	Smt. P.V. Nirmala Raju	13.46	16.11		233.80	272.27
	Closing Balance as on	Interest Paid															
	31-03-2017	31-03-2016															
Smt. B. SriSandhya Raju	220.34	256.16															
Smt. P.V. Nirmala Raju	13.46	16.11															
	233.80	272.27															
	2016-17	2015-16															
Smt. B. SriSandhya Raju	25.88	22.28															
Smt. P.V. Nirmala Raju	1.51	0.65															
	27.39	22.93															

7. Auditors' remuneration (excluding Service Tax) & expenses:

    Statutory Auditors:

    a. As Auditors

        - Fees

0.75

0.75

        - Expenses reimbursed

0.18

0.20

    b. In other Capacities

        (i) Tax Audit Fees

0.50

0.50

        (ii) IT Representation Fees

0.30

0.80

        (iii) Certification Work Fees

0.61

1.10

        (iv) VAT Audit Fees

0.30

0.30

8. There are no dues to micro, small and medium enterprises as at 31-03-2017 (P.Y. Rs. Nil). This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

9. The unadjusted units generated from the Windmills as on 31-03-2017 are 3.10 Lakhs KWH (PY. 2.44 Lakhs KWH) and its monetary value of Rs. 20.64 Lakhs (PY. Rs.16.28 Lakhs) has been included in Other Current Assets, which will be adjusted in the forthcoming months.

**SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

10. During last year, pursuant to implementation of Schedule II of the Companies Act, 2013 with effect from 01-04-2014, the Company has calculated the depreciation on all the assets under Straight Line Method based on the useful life prescribed under the said schedule. Accordingly, the value of assets whose useful life is exhausted as on 01-04-2014, as per the new Act, amounting to Rs. 38.03 Lakhs had been charged off to the General Reserves.
11. As per Accounting Standard -15 (Revised 2005) "Employee Benefits", the disclosures of employee benefits as defined in the Accounting Standard are given below:

**Defined Contribution Plan:**

	2016-17	(Rs. in Lakhs) 2015-16
Employer's Contribution to Provident Fund	102.61	91.21
Employer's Contribution to Superannuation Fund	2.66	4.29

**Details of the Post Retirement Gratuity Plan (Funded) are as follows:**

**Reconciliation of opening and closing balances of defined benefit plan:**

Defined Benefit Obligation as at beginning of the year	205.08	175.31
Current Service Cost	25.58	23.01
Past Service Cost	Nil	Nil
Interest Cost	15.42	13.19
Actuarial (gain) / loss	6.94	6.00
Benefits paid	(-)19.91	(-)12.43
Defined Benefit obligation as at end of the year	233.11	205.08

**Reconciliation of opening and closing balances of fair value of plan assets:**

Fair value of plan assets as at beginning of the year	193.06	162.36
Expected return on plan assets	15.93	13.76
Actuarial gain / (loss)	(-)0.07	(-)2.52
Employer Contribution	32.07	31.89
Benefits paid	(-)19.90	(-)12.43
Fair value of plan assets as at end of the year	221.09	193.06

**Actual Return of plan assets:**

Expected return of plan assets	15.93	13.76
Actuarial gain / (loss) on plan assets	(-)0.07	(-)2.52
Actual return on plan assets	15.86	11.24

**Reconciliation of fair value of assets and obligations:**

Fair value of plan assets	221.09	193.06
Present value of obligation	233.11	205.08
Difference	12.02	12.02
Unrecognized transitional liability	Nil	Nil
Amount recognized in Balance Sheet	12.02	12.02

**Expense recognized during the year:**

Current Service Cost	25.58	23.01
Interest Cost	15.41	13.19
Expected return on plan assets	(-)15.93	(-)13.77
Actuarial (gain) / loss	7.01	8.52
Past service cost-non-vested benefits	Nil	Nil
Past service cost-vested benefits	Nil	Nil
Net Cost	32.07	30.95

**Investment Details as on 31-03-2017:**

GOI Securities	Nil	Nil
Funds with LIC	100%	100%
Bank balance	Nil	Nil
Others	Nil	Nil
<b>Total</b>	<b>100%</b>	<b>100%</b>

**SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

	(Rs. in Lakhs)	
	2016-17	2015-16
<b>Actuarial assumptions:</b>		
Indian Assured Lives (2006-08) Ultimate Table applied for Service Mortality rate	<b>Yes</b>	Yes
Discount rate p.a.	<b>7.60%</b>	7.90%
Expected rate of return on plan assets p.a.	<b>8.00%</b>	8.00%
Rate of escalation in salary p.a.	<b>6.00%</b>	6.00%
<b>Details of the Leave encashment plan (Un-Funded) are as follows:</b>		
<b>Reconciliation of opening and closing balances of obligation:</b>		
Defined Benefit Obligation as on 01.04.2016	<b>88.82</b>	80.98
Current Service Cost	<b>10.58</b>	8.26
Interest Cost	<b>6.51</b>	6.04
Actuarial (gain) / loss	<b>8.45</b>	0.75
Benefits paid	<b>(-)12.88</b>	(-)7.21
Defined Benefit obligation as on 31.03.2017	<b>101.48</b>	88.82
<b>Reconciliation of opening and closing balances of fair value of plan assets:</b>		
Fair value of plan assets as on 01-04-2016	<b>Nil</b>	Nil
Expected return on plan assets	<b>Nil</b>	Nil
Actuarial gain / (loss)	<b>Nil</b>	Nil
Employer Contribution	<b>12.88</b>	7.21
Benefits paid	<b>(-)12.88</b>	(-)7.21
Fair value of plan assets as on 31-03-2017	<b>Nil</b>	Nil
<b>Actual Return of plan assets:</b>		
Expected return of plan assets	<b>Nil</b>	Nil
Actuarial gain / (loss) on plan assets	<b>Nil</b>	Nil
Actual return on plan assets	<b>Nil</b>	Nil
<b>Reconciliation of fair value of Assets and obligations</b>		
Fair value of plan assets	<b>Nil</b>	Nil
Present value of obligation	<b>101.48</b>	88.82
Difference	<b>101.48</b>	88.82
Unrecognized past service cost non vested benefits	<b>Nil</b>	Nil
Amount recognized in Balance Sheet	<b>101.48</b>	88.82
<b>Expense recognized during the year:</b>		
Current Service Cost	<b>10.58</b>	8.26
Interest Cost	<b>6.51</b>	6.04
Expected return on plan assets	<b>Nil</b>	Nil
Actuarial (gain) / loss	<b>8.45</b>	0.75
Net Cost	<b>25.54</b>	15.05
<b>Investment Details as on 31-03-2017:</b>		
GOI Securities	<b>Nil</b>	Nil
State Government Securities	<b>Nil</b>	Nil
High Quality Corporate Bonds	<b>Nil</b>	Nil
Funds with LIC	<b>Nil</b>	Nil
Bank balance	<b>Nil</b>	Nil
Others	<b>Nil</b>	Nil
Total	<b>Nil</b>	Nil
<b>Actuarial assumptions</b>		
Indian Assured Lives (2006-08) Ultimate Table applied for Service Mortality rate	<b>Yes</b>	Yes
Discount rate p.a.	<b>7.60%</b>	7.90%
Expected rate of return on plan assets p.a.	<b>NA</b>	NA
Rate of escalation in salary p.a.	<b>6.00%</b>	6.00%
Attrition Rate	<b>1.00%</b>	1.00%

**SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

(Rs. in Lakhs)

**12. The Segment Information for the year ended 31<sup>st</sup> March, 2017**

Particulars	Textiles		Power from Windmills		Total	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
<b>REVENUE</b>						
External Sales (Net)	17,036.64	14,895.85	-	-	17,036.64	14,895.85
Inter Segment Sale	-	-	1,284.06	748.20	1,284.06	748.20
Total Sales	17,036.64	14,895.85	1,284.06	748.20	18,320.70	15,644.05
Other Income	69.51	170.74	-	-	69.51	170.74
<b>Total Revenue</b>	<b>17,106.15</b>	<b>15,066.59</b>	<b>1,284.06</b>	<b>748.20</b>	<b>18,390.21</b>	<b>15,814.79</b>
<b>RESULT</b>						
Segment Result	(115.78)	(56.21)	698.31	123.92	582.53	67.71
Unallocated Income					34.40	27.48
Operating Profit					616.93	95.19
Interest Expenses					1,599.97	1,621.52
Interest Income					34.40	27.48
Provision for Taxation					-	-
Current Tax					128.00	20.00
Deferred Tax					141.00	(38.00)
Profit from ordinary activities					347.93	113.19
Exceptional Items					-	-
<b>Net Profit</b>					<b>4,489.31</b>	<b>2,994.33</b>
<b>OTHER INFORMATION</b>						
Segment Assets	18,800.24	16,819.34	3,073.69	3,274.21	21,873.93	20,093.55
Unallocated Assets					-	-
Total Assets					21,873.93	20,093.55
Segment Liabilities					18,963.77	17,645.24
Unallocated Liabilities					1,248.21	1,107.21
Total Liabilities					20,211.98	18,752.45
Capital Expenditure	278.20	184.29			278.20	184.29
Unallocated Capital Expenditure					-	-
Depreciation	803.63	858.69	200.52	201.07	1,004.15	1,059.76
Unallocated Depreciation Expenditure					-	-

**13. Earning per Share**

Particulars		2016-17	2015-16
Net Profit after tax (Rs. in Lakhs)	(A)	347.93	113.19
Number of Equity Shares - (in Lakhs)	(B)	46.00	46.00
Basic & Diluted earnings per share for - (in Rupees)	(A)/(B)	7.56	2.46
Nominal Value of Equity Share (in Rs.)		10.00	10.00

**SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

**14. RELATED PARTY TRANSACTIONS**

As per Accounting Standard-18 (Related Party Disclosures) issued by the Institute of Chartered Accountants of India, the Company's related parties are given below:

**(a) Key Management Personnel & Relatives.**

Shri P.R. Ramasubrahmaneya Rajha, Chairman (Upto 11-05-2017)

Shri. P.R. Venketrama Raja, Director

Smt. B. SriSandhya Raju, Managing Director

Smt. R. Sudarsanam, Director

Smt. P.V. Nirmala Raju, Director

**(b) Enterprises over which the above persons exercise significant influences and with which the Company had transactions during the year:**

**(i) Companies**

M/s. The Ramco Cements Limited  
M/s. Rajapalayam Mills Limited  
M/s. Sri Vishnu Shankar Mill Limited  
M/s. The Ramaraju Surgical Cotton Mills Limited  
M/s. Thanjavur Spinning Mill Limited  
M/s. Ramco Industries Limited  
M/s. Ramco Systems Limited  
M/s. Rajapalayam Textiles Limited  
M/s. Shri Harini Media Limited  
M/s. Digvijai Polytex Private Limited  
M/s. Pranahita Power Generation Private Limited

**(ii) Public Trusts**

P.A.C.R. Sethurammam Charity Trust

**(c) Employees Benefit Funds whose control exists**

Sandhya Spinning Mill Limited Officers' Superannuation Fund  
Sandhya Spinning Mill Limited Employees' Gratuity Fund

The Company's transactions with the above Related Parties are summarized following:

**(d) Amount paid to Key Managerial Personnel**

**(Rs. in Lakhs)**

Name of the Related Party	Amount		Nature of Payment
	2016-17	2015-16	
Shri P.R. Ramasubrahmaneya Rajha	1.20	1.20	Sitting Fees
Smt. B. SriSandhya Raju	135.90	135.40	Managerial Remuneration
	25.88	22.28	Interest Paid
	0.15	0.30	Sitting Fees
	22.50	9.49	Dividend Paid
Smt. R. Sudarsanam	0.45	0.60	Sitting Fees
Shri P.R. Venketrama Raja	0.30	0.60	Sitting Fees
Smt. P.V. Nirmala Raju	1.51	0.65	Interest Paid
	0.15	0.30	Sitting Fees

**SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

(Rs. in Lakhs)

**(e) Inter Corporate Deposits Accepted:**

Name of the Related Party	Maximum Outstanding		Outstanding as on	
	2016-17	2015-16	31-03-2017	31-03-2016
Pranahita Power Generation Private Limited	560.00	560.00	560.00	560.00
Dig Vijai Polytex Private Limited	32.00	Nil	32.00	Nil

**(f) Interest paid on Inter Corporate Deposits Accepted**

Name of the Related Party	Interest Paid		Outstanding as on	
	2016-17	2015-16	31-03-2017	31-03-2016
Pranahita Power Generation Private Limited	61.60	61.77	Nil	Nil
Digvijai Polytex Private Limited	0.27	Nil	Nil	Nil

**(g) Corporate Guarantee Availed:**

Name of the Related Party	2016-17	2015-16
The Ramco Cements Limited	Nil	3,438.00
Rajapalayam Mills Limited	11,780.00	14,346.00

**(h) Sale of Assets:**

Name of the Related Party	Value		Outstanding as on	
	2016-17	2015-16	31-03-2017	31-03-2016
Ramco Industries Limited	1.77	Nil	Nil	Nil
Rajapalayam Mills Limited	Nil	0.32	Nil	Nil
Rajapalayam Textile Limited	Nil	54.08	Nil	Nil

**(i) Sale of Goods / Services rendered:**

Name of the Related Party	Value		Outstanding as on	
	2016-17	2015-16	31-03-2017	31-03-2016
The Ramaraju Surgical Cotton Mills Limited	654.18	75.97	Nil	Nil
Sri Vishnu Shankar Mill Limited	120.99	836.02	Nil	Nil
Rajapalayam Mills Limited	295.60	292.67	Nil	Nil
Ramco Industries Limited	409.22	463.52	Nil	Nil
Thanjavur Spinning Mill Limited	0.08	Nil	Nil	Nil
Rajapalayam Textile Limited	0.06	162.24	Nil	Nil

**(j) Purchase of Fixed Assets:**

Name of the Related Party	Value		Outstanding as on	
	2016-17	2015-16	31-03-2017	31-03-2016
Rajapalayam Mills Limited	Nil	3.00	NIL	NIL
Thanjavur Spinning Mill Limited	Nil	91.65	NIL	NIL



**SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

(Rs. in Lakhs)

**(k) Cost of Goods & Services purchased / availed:**

Name of the Related Party	Value		Outstanding as on	
	2016-17	2015-16	31-03-2017	31-03-2016
The Ramaraju Surgical Cotton Mills Limited	<b>686.34</b>	38.61	Nil	Nil
Sri Vishnu Shankar Mill Limited	<b>282.20</b>	221.03	Nil	Nil
Rajapalayam Mills Limited	<b>602.33</b>	175.18	Nil	Nil
Thanjavur Spinning Mill Limited	<b>153.95</b>	0.41	Nil	Nil
Ramco Industries Limited	<b>15.68</b>	Nil	Nil	Nil
The Ramco Cements Limited	<b>1.15</b>	75.51	Nil	Nil
Ramco Systems Limited	<b>10.02</b>	8.32	Nil	Nil
P.A.C.R. Sethurammam Charity Trust	<b>7.69</b>	9.41	Nil	Nil
Shri Harini Media Limited	<b>0.35</b>	0.35	Nil	Nil
Rajapalayam Textile Limited	<b>0.07</b>	Nil	Nil	Nil

**(l) Sale of Investments:**

Name of the Related Party	Value		Outstanding as on	
	2016-17	2015-16	31-03-2017	31-03-2016
Thanjavur Spinning Mill Limited	<b>0.60</b>	Nil	Nil	Nil

**(m) (i) Security Deposit given:**

Name of the Related Party	Interest Free Security Deposit Outstanding as on		Nature of Transaction
	31-03-2017	31-03-2016	
The Ramco Cements Limited (TRCL)	<b>12.00</b>	12.00	3,21,600 Shares of Andhra Pradesh Gas Power Corporation Ltd (APGPCL) purchased by TRCL are being held jointly by the Company & TRCL. The Joint Ownership entitles the Company to purchase from APGPCL. To have the Joint Ownership of above shares, the Company has deposited this amount with TRCL.

**(ii) Amount paid by virtue of joint ownership of shares of APGPCL:**

Name of the Related Party	Amount Paid		Nature of Transaction
	2016-17	2015-16	
The Ramco Cements Limited	<b>1.92</b>	2.05	The Company is paying 10 paise per unit to TRCL for the power supplied by APGPCL to the Company by virtue of above Joint Ownership of the Shares

**SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

(Rs. in Lakhs)

(n) Dividend Received

Name of the Related Party	2016-17	2015-16
Rajapalayam Mills Limited	Nil	0.03

(o) Rent Paid

Name of the Related Party	2016-17	2015-16
Rajapalayam Mills Limited	23.78	25.62

(p) Contribution to Superannuation Fund / Gratuity Fund

Particulars	2016-17	2015-16
Sandhya Spinning Mill Limited Officers' Superannuation Fund	2.66	4.29
Sandhya Spinning Mill Limited Employees' Gratuity Fund	32.74	32.63

15. Other additional information pursuant to the Schedule III of the Companies Act, 2013.

(a) Value of Imports calculated on CIF Value

Particulars	2016-17	2015-16
Raw Materials	3,655.05	1,230.65
Components and Spares	28.44	39.44
Capital Goods	0.00	1.88

(b) Expenditure in Foreign Exchange during the year

Particulars	2016-17	2015-16
Interest	33.67	9.99
Export Sales Commission	32.06	11.34
Foreign Travel	3.40	11.39
Total	69.13	32.72

(c) Value of Raw Materials, Stores & Spare parts consumed

Particulars	2016-17		2015-16	
	Amount	%	Amount	%
Raw Materials				
Imported	3,542.39	41	752.60	10
Indigenous	5,075.26	59	6,933.02	90
Spares and Components				
Imported	38.97	5	28.80	4
Indigenous	754.71	95	714.92	96

(d) Earnings in Foreign exchange (FOB Value)

Particulars	2016-17	2015-16
Export of Yarn	2,271.12	1,125.22

**SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

**16. Details of Specified Bank Notes ('SBN') held and transacted during the period 08-11-2016 to 30-12-2016**

As per the amendments notified on 30-03-2017 to Scheduled III, Clause K of Note 6 to General Instructions for Preparation of Balance Sheet, the details of Specified Bank Notes ('SBN') held and transacted during the period 08-11-2016 to 30-12-2016 is given in the below table

(Rs. in Lakhs)

Particulars	SBNs	Other Denomination Note	Total
Closing Cash in Hand as at 08-11-2016	2.70	1.99	4.69
Add: Permitted Receipts	-	9.85	9.85
Less: Permitted Payments	-	9.82	9.82
Less: Amount Deposited in Banks	2.70	-	2.70
Closing Cash in Hand as at 30-12-2016	-	2.02	<b>2.02</b>

As per our report annexed

For N.A. JAYARAMAN & CO.,  
Chartered Accountants  
FRN-001310S

R. PALANIAPPAN  
Proprietor  
Membership No. 205112

Rajapalaiyam,  
25<sup>th</sup> May, 2017.

B. SRISANDHYA RAJU  
MANAGING DIRECTOR

N.K. SHRIKANTAN RAJA  
DIRECTOR



## PROXY FORM

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

### SANDHYA SPINNING MILL LIMITED

[CIN : U17111TN1994PLC027037]

Regd. Office: No. 47, P.S.K. Nagar, Rajapalayam, Pin : 626 108, Tamil Nadu.

Name of the Member(s) : .....

Registered address : .....

E-mail ID : .....

Folio No./DP ID-Client ID: .....

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

1. Name : ..... Address : .....

E-mail ID : ..... Signature : ....., or failing him

2. Name : ..... Address : .....

E-mail ID : ..... Signature : ....., or failing him

3. Name : ..... Address : .....

E-mail ID: ..... Signature : .....

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 23<sup>rd</sup> Annual General Meeting of the Company, to be held on Thursday, the 10<sup>th</sup> August, 2017 at 11.00 A.M. at P.A.C. Ramasamy Raja Centenary Community Hall, Sudarsan Gardens, P.A.C. Ramasamy Raja Salai, Rajapalayam - 626 108, Tamil Nadu and at any adjournment thereof in respect of such resolutions as are indicated below :

Resolution No.	Resolutions
	<b>Ordinary Business</b>
1.	Adoption of Financial Statements for the year ended 31 <sup>st</sup> March, 2017
2.	Appointment of Smt. R. Sudarsanam as Director, who retires by rotation.
3.	Appointment of Smt. P.V. Nirmala Raju as Director, who retires by rotation
4.	Appointment of M/s. M.S. Jagannathan & N. Krishnaswami, Chartered Accountants, as Auditors.

*Please see overleaf for Special Business*

### SANDHYA SPINNING MILL LIMITED

[CIN : U17111TN1994PLC027037]

Regd. Office: No. 47, P.S.K. Nagar, Rajapalayam, Pin : 626 108, Tamil Nadu.

### ATTENDANCE SLIP

*(To be handed over at the entrance of the Meeting Hall)*

I / We hereby record my / our presence at the 23<sup>rd</sup> Annual General Meeting of the Company.

Venue : P.A.C. Ramasamy Raja Centenary Community Hall, Sudarsan Gardens, P.A.C. Ramasamy Raja Salai, Rajapalayam - 626 108.

Date & Time : Thursday, 10<sup>th</sup> August, 2017, at 11.00 AM

Name of the Member \_\_\_\_\_ Folio No/DP ID - Client ID \_\_\_\_\_

Name of the Proxy\* \_\_\_\_\_ Signature of Member / Proxy Attending \_\_\_\_\_

\*(To be filled in, if the proxy attends instead of the Member)

Resolution No.	Resolution
	<b>Special Business</b>
5	Ratification of fee payable to M/s. RKMS & Associates, Cost Accountants, appointed as Cost Auditors of the Company for the financial year 2017-18

Signed this ..... day of ..... 2017

Signature of Shareholder : .....

Signature of Proxy holder(s) : .....




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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.



Sandhya Spinning Mill Limited being awarded "Good Industrial Relationship Award – 2009 to 2014" by Labour Department, Tamil Nadu Government at Chennai.



Our worker receiving maximum attendance prize from our former Chairman Shri P.R. Ramasubrahmaneya Rajha during the 21<sup>st</sup> Pongal Sports Day Celebrations.



**SANDHYA SPINNING MILL LIMITED**  
**RAJAPALAIYAM**