



**SREE**  
**AKKAMAMBA**  
**TEXTILES LIMITED**  
**TANUKU**  
**62nd ANNUAL REPORT**  
**2015 - 2016**

**SREE AKKAMAMBA TEXTILES LIMITED**

Venkatarayapuram, Tanuku.

**Board of Directors**

Sri P. Narendranath Chowdary	Chairman
Sri M.S.R.V.K. Rangarao	Managing Director
Sri M. Narendranath	
Sri J. Murali Mohan	
Sri N.V. Somaraju	
Sri J. Suresh	

**C.F.O.**

Sri N. Satyanarayana	General Manager (Finance & Admn.)
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**Bankers :**

Andhra Bank  
State Bank of Hyderabad

**Auditors :**

M/s. Brahmayya & Co.,  
Chartered Accountants  
Vijayawada.

**Registered Office & Mills :**

Venkatarayapuram,  
Tanuku - 534 215  
Andhra Pradesh.

**Cost Auditors :**

M/s. Narasimha Murthy & Co.,  
Hyderabad.

**Company CIN :**

U51909AP1954PLC000525

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## ***Notice to Shareholders***

NOTICE is hereby given that 62nd Annual General Meeting of the Company will be held on 26th July, 2016 at 10.00 AM at the Registered Office of the Company at Venkatarayapuram, Tanuku, Andhra Pradesh, to transact the following business.

### **ORDINARY BUSINESS:**

1. To consider and adopt the Statement of Profit and Loss for the year ended 31st March, 2016 and Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.
2. To declare Dividend on the equity shares.
3. To appoint a Director in place of Sri P.Narendranath Chowdary, who retires by rotation and being eligible offers himself for re-appointment.
4. To ratify the appointment of Statutory Auditors of the Company for the year 2016-17 and to fix their remuneration.

### **SPECIAL BUSINESS:**

5. To consider and if thought fit to pass with or without modification the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 73 and other applicable provisions of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014, the consent of the Members be and is hereby accorded to the Board of Directors of the company for accepting Fixed Deposits from Members within the limits prescribed in the Act."

"RESOLVED FURTHER THAT the Board of Directors or any person authorized thereof be and is hereby authorized to take all such steps as per the provisions of the Companies Act, 2013 and Rules made thereunder in this regard to give effect to this Resolution".

6. "RESOLVED that in accordance with the provisions of Section 196 and 197 read with schedule V of the Companies Act, 2013 and other applicable statutory provisions, if any, consent and approval of the company, be and is hereby accorded for re-appointment of Sri M.S.R.V.K. Rangarao as Managing Director of the company for a period of five years with effect from 1st October, 2016 upon the terms and conditions set out hereunder with liberty to the Board of Directors to revise and / or accept any variation in the under mentioned terms and conditions of remuneration within the maximum limits prescribed in Schedule V to the Companies Act, 2013.

Sri M.S.R.V.K.Rangarao shall not be subject to retirement by rotation.

- I. Remuneration:

- a) Salary: Rs.1,50,000/- (Rupees one lakh fifty thousand only) per month.

b) Commission:

Subject to overall ceilings laid down in section 197 of the Companies Act, 2013.

II. Perquisites:

- (i) Housing: The expenditure incurred by the company on hiring furnished accommodation will be subject to the ceiling of 50% of the salary, over and above 10% payable by Managing Director. In case the accommodation provided is owned by the company, 10% of the salary shall be deducted by the company.

In case the company does not provide accommodation, the house rent allowance will be paid by the company, to the Managing Director not exceeding 50% of the salary.

The expenditure incurred by the company on gas, electricity, water and furnishings shall be valued as per the Income Tax Rules, 1962. This will however, be subject to a ceiling of 10% of the salary of the Managing Director.

- (ii) Medical Reimbursement: Medical benefits for self and family. Reimbursement of expenses actually incurred, the total cost of which to the company shall not exceed one month's salary in a year or three months salary over a period of three years.
- (iii) Leave Travel Concession: For self and family once in a year in accordance with the rules of the company.
- (iv) Club Fees: Subject to a maximum of two clubs. This will not include admission and life membership fees.
- (v) Personal Accident Insurance: Premium not exceeding Rs.10,000/- (Rupees ten thousand only) per annum.
- (vi) Provident Fund / Superannuation Fund / Annuity Fund: Company's contribution to Provident Fund, Superannuation Fund and Annuity Fund, to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- (vii) Gratuity: Half a month's salary for each completed year of service.
- (viii) Leave: Entitled to one month's leave, as per the rules of the company on full pay, for every 11 months of service. Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.
- (ix) Telephone: Free telephone facility at the residence for use on the company's business.
- (x) Car: Use of company's car on company's business with driver and all expenses on maintenance, repairs and cost of petrol.

(Provision of car for use of company's business and telephone at the residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the company)

"RESOLVED further that in the event of loss or inadequacy of profits in any financial year, the aforesaid remuneration including perquisites, subject to the conditions or restrictions as prescribed in Schedule V of the Companies Act, 2013 be paid to the Managing Director as minimum remuneration".

7. To consider and if thought fit to pass with or without modification the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sec.148 of the Companies Act, 2013 and other applicable provisions if any and rules made there under, the Company hereby ratifies the payment of remuneration of Rs.60,000/- per annum to M/s.Narasimha Murthy & Co., Cost Accountants, Hyderabad, who were appointed as Cost Auditors by the Board at its meeting held on 25th May, 2016 for conducting the Cost Audit for the year 2016-17 in respect of the products viz., Cotton and Blended Yarns".

(BY ORDER OF THE BOARD)

Registered Office:  
Venkatarayapuram,  
TANUKU - 534 215,  
25th May, 2016

for SREE AKKAMAMBA TEXTILES LTD.

(M.S.R.V.K.RANGARAO)  
Managing Director

**NOTES:**

1. A member entitled to attend and vote can appoint a proxy to attend and vote instead of himself and that a proxy need not be a member. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company. A member holding more than ten percent of the total share capital of the company may appoint a single person as proxy and such person cannot act as a proxy for any other person or shareholder.
2. The Register of Members of the Company will remain closed from 20th July, 2016 to 26th July, 2016 (both days inclusive).
3. Members are requested to intimate to the Company, changes if any, in their registered addresses at an early date.
4. Dividends, if sanctioned, at the meeting will be payable to those shareholders, whose names are on the Company's Register on 26th July, 2016.
5. As per the provisions of Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001, the un-claimed Dividend in respect of Dividend for the year 2007-08 has been transferred to Investor Education and Protection Fund as envisaged in Section 125 (2) (c) of the Companies Act, 2013. Shareholders, who have not encashed the Dividends, may make a request to the Company for the payment of un-encashed Dividend amount in respect of Dividend declared from the years 2008-09 onwards in order to enable the Company to proceed with their request in case the dividend warrants remain un-encashed.

**ANNEXURE TO NOTICE:**

Explanatory Statement as required under section 102 (1) of the Companies Act, 2013.

**Item No.5:**

As per the provisions of the Companies Act, 2013, the company can accept fixed deposits only from its members. As such your Board of Directors considers it advisable to continue acceptance of Fixed Deposits from Members which would enable the Company to augment its Financial Resources for working capital requirements.

Your Directors therefore recommend the resolution for your approval.

Directors and Key Managerial Personnel may be deemed to be interested in the resolution in the event they place Fixed Deposits with the Company.

**Item No.6:**

The present term of Sri M.S.R.V.K.Rangarao as Managing Director of the company expires by 30th September, 2016.

The Board of Directors at its meeting held on 25th May, 2016 has approved the re-appointment of Sri M.S.R.V.K.Rangarao as Managing Director of the company for a further period of five years with effect from 1st October, 2016 subject to approval of the company in General Meeting on the terms and conditions set out in the proposed resolution. The Board recommends the resolution for approval of the shareholders.

None of the Directors of the company except Sri M.S.R.V.K.Rangarao himself may be deemed to be concerned or interested in the resolution.

**Item No.7:**

The Board on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s.Narasimha Murthy & Co., the Cost Auditors to conduct the audit of the Cost records of the company for the financial year ending 31 March, 2017 and remuneration of Rs.60,000/- plus applicable taxes, out-of-pocket and travelling expenses have been fixed for this purpose.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, ratification for the remuneration payable to the Cost Auditors for the financial year 2016-17 by way of Ordinary Resolution is being sought from the members.

Your Directors therefore recommend the Resolution for approval.

None of the Directors or Key Managerial Personnel of the company or their relatives are concerned or interested in the resolution.

(BY ORDER OF THE BOARD)

Registered Office:  
Venkatarayapuram,  
TANUKU - 534 215,  
25th May, 2016

for SREE AKKAMAMBA TEXTILES LTD.

(M.S.R.V.K.RANGARAO)  
Managing Director

## **Directors' Report :**

Your Directors have pleasure in presenting the 62nd Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 2016.

### **FINANCIAL RESULTS:**

	<b>This Year Rs.</b>	<b>Previous year Rs.</b>
Profit for the year	<b>4,02,27,368</b>	3,75,73,798
Add: Balance brought forward from prev. year	<b>7,14,93,631</b>	7,27,70,712
	<b>11,17,20,999</b>	11,03,44,510
Less: Provision for taxation :		
- Current	<b>1,44,06,962</b>	83,00,000
- Deferred	<b>10,81,164</b>	60,15,039
Add: Excess provision for earlier year	<b>10,13,533</b>	28,465
Add: MAT credit entitlement	-	(8,87,328)
Add: MAT credit entitlement for earlier years	-	5,16,890
Total available for appropriation	<b>9,72,46,406</b>	9,56,87,498
Less: Transfer to General Reserve	<b>3,00,00,000</b>	2,00,00,000
Proposed Dividend	<b>34,72,704</b>	34,72,704
Tax on proposed Dividend	<b>7,06,961</b>	7,21,163
Balance carried forward	<b>6,30,66,741</b>	7,14,93,631
	<b>9,72,46,406</b>	9,56,87,498

### **Dividend:**

Your Directors recommend a Dividend of 20% for the year ended 31st March, 2016

### **Performance:**

During the year under review, your company achieved a turnover of Rs.114.38 Crores as compared to Rs.121.53 Crores in the previous year showing a decline of about 6% over the previous year. The decrease is mainly attributed to low price realization for the Yarn. Since the cotton prices were also comparatively low during the year under review, the company achieved a profit of Rs.4.02 Crores (before tax) as against the profit of Rs.3.76 Crores achieved in the previous year.

### **Capital investment:**

During the year under review, the company has not made any major capital investment in fixed assets.

**Outlook for the Current Year:** During the last two years, though the cotton prices were stable, the Yarn prices have continuously been dropped due to lack of global demand and the same trend is expected until end of the first quarter of current financial year. However, the Yarn markets are expected to improve in the second quarter onwards and accordingly your company may achieve optimum results in the later part of the current financial year.

**Fixed Deposits:**

The details of Fixed Deposits accepted by the company from its members under section 73(2) of the Companies Act, 2013 are as under:

- |  |                  |
|--|------------------|
| i) Deposits accepted/renewed during the year:  | Rs.4,09,26,000/- |
| ii) Remained unpaid or unclaimed as at the end of the year:  | NIL              |
| iii) Whether there has been any default in repayment of . deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved: | NIL              |
| iv) The details of deposits which are not in compliance with the requirements of Chapter V of the Act:   | NIL              |

**Conservation of Energy, Technology Absorption and Foreign Exchange earning and outgo:**

Information pursuant to Section 134(3) (m) of the Companies Act, 2013 read with rule 8 of The Companies (Accounts) Rules, 2014 is given in Annexure 'A' forming part of this Report.

**Particulars of Employees:**

None of the employees have drawn the salary in excess of the amount specified in Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

**The Directors' responsibility statement:**

Pursuant to section 134 (3)(c) of the Companies Act, 2013, your Directors state that -

- In the preparation of annual accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- The proper and sufficient care has been taken for maintenance of accounting records in accordance with provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- The annual accounts of the company have been prepared on a going concern basis; and



- e. The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**Extract of Annual Return:**

An extract of Annual Return in Form MGT-9 as on 31 March, 2016 is attached as Annexure- B to this report.

**Board Meetings held during the year:**

During the year under review, 4 meetings of the Board of Directors of the Company were held on 20-05-2015, 28-07-2015, 31-10-2015 and 30-01-2016.

**Nomination and Remuneration Policy:**

The Board of Directors of your company has, on recommendation of the Nomination & Remuneration Committee, adopted a Nomination & Remuneration Policy which lays down the framework in relation to the criteria for selection and appointment of Board members and remuneration of Directors/Key Managerial Personnel and Senior Management of the company. This policy can be accessed on the company's website [www.akkamamba.com](http://www.akkamamba.com).

**Particulars of loans, guarantees or investments:**

During the year under review, the company has neither given any loans/ guarantees nor made any investments covered under the provisions of Section 186 of the Companies Act, 2013.

**Related party transactions:**

The particulars of contracts or arrangements with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 are furnished in Annexure-C (in form AOC 2) forming part of this report.

Material changes and commitments affecting the financial position of the Company which have occurred between end of the financial year and the date of Report:

There were no material changes and commitments affecting the financial position of the Company between the end of the financial year (31st March, 2016) and the date of the Report (25th May, 2016).

**Risk Management Policy:**

The company has not developed any risk management policy, as in the opinion of the Board, the elements which may threaten the existence of the company are insignificant.

**Corporate Social Responsibility:**

As part of CSR initiatives, your company during the financial year 2015-16 was required to spend an amount of Rs.10.98 lakhs and is looking for a suitable project/activity to undertake. The report on CSR activities attached as Annexure-D to this report.

**Directors:**

Under Article 111 of the Articles of Association of the company, Sri P. Narendranath Chowdary retires by rotation at the ensuing Annual General Meeting and being eligible for re-appointment.

The Independent Directors of the company have declared that they meet the criteria of Independence in terms of Section 149(6) of the Companies Act, 2013 and that there is no change in their status of Independence.

**Names of Companies which have become or ceased to be Subsidiaries/ Joint Ventures/Associates:**

There are no Subsidiaries / Joint Ventures / Associates existing / become/ ceased during the year.

Significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future:

There are no significant and material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status or operations of the Company.

**Adequacy of internal financial controls:**

Your company conducts a review of the financial and operating controls. The internal control system of your company commensurate with its size and nature of the business.

**Audit committee:**

Audit Committee comprises of 3 non whole-time Independent Directors Sri J.Murali Mohan, Sri N.V.Somaraju, Sri J.Suresh and 1 whole-time Director Sri.M.S.R.V.K.Rangarao. Sri J.Murali Mohan is the Chairman of the Committee.

**Nomination and Remuneration Committee:**

The Nomination and Remuneration Committee comprises of 3 non whole-time Independent Directors Sri J.Murali Mohan, Sri N.V.Somaraju and Sri J.Suresh. Sri J.Murali Mohan is the Chairman of the Committee.

**Auditors:**

At the 60th Annual General Meeting (AGM) held on 30th July, 2014, M/s.Brahmayya & Co., Chartered Accountants, Vijayawada, were appointed as the Statutory Auditors of the company for a period of 3 years from the conclusion of 60th AGM until the conclusion of 63rd AGM.

In terms of Section 139 (1) of the Companies Act, 2013, the said appointment shall be subject to ratification in the ensuing AGM to carry the statutory Audit for the financial year 2016-17.

The Auditors Report to the shareholders for the year under review does not contain any qualification.

**Cost Auditors:**

M/s.Narasimha Murthy & Co., Cost Accountants, Hyderabad are re-appointed by the Board as Cost Auditors of the Company for the financial year 2016-17. .

*Sree Akkamamba Textiles Ltd.,*

**Securities:**

Your company has ceased to be a listed company with MSE and has been placed on the Dissemination Board of NSE w.e.f. 1st December, 2014.

**Industrial relations:**

The relations with the employees at all levels are continued to be cordial.

**Acknowledgement:**

The Directors wish to place on record their appreciation for the co-operation the company received from various departments of Central and State Governments, Consortium of Banks, Deposit holders, Insurance Companies, A.P. Gas Power Corpn. Ltd. APEPDCL, GAIL and a host of customers, for their continued support and assistance. The Directors also wish to place on record their appreciation to employees at all levels for their hard work, dedication and commitment.

Venkatarayapuram  
TANUKU – 534 215  
Date 25 May, 2016

For and on behalf of the Board of Directors  
**(P. Narendranath Chowdary)**  
Chairman

**Annexure 'A' to Directors' Report**

Particulars of Conservation of Energy, Technology Absorption and Foreign Exchange.

**A. Conservation of Energy:**

Efforts to conserve and optimise the use of energy through operational methods and other means are continued.

**Significant Initiatives**

- Use of Indian Energy Exchange (IEX) power has resulted in savings of Rs.62.62 lakhs.
- Replaced 40W tube lights with LED tube lights of 18W in various departments for lighting purpose and saved about 55% power.
- Installed 4 Nos. Inverter Drives in LR 6S Spinning H.Plants resulting in 15% lower power consumption on water pump running.
- Replaced street lights with LED light fittings for about 50% saving in power consumption.
- Optimised usage of Air Compressors

**B. Disclosure of particulars with respect to Absorption of Technology, Research & Development:**

Research and Development activities are carried out on an ongoing basis for improving the efficiency and also for improving quality of its products. No separate expenditure was incurred for R & D.

**C. Foreign Exchange earnings and outgo:**

There were no foreign exchange earnings during the year. The company incurred expenditure in foreign currency equivalent to Rs.58,23,553/- (previous year Rs. 3,64,08,085/-) towards import of raw materials, capital goods, spares etc.

**Annexure 'B' to Directors' Report**

**FORM NO. MGT 9**

"Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company  
 "(Management & Administration ) Rules, 2014."

**EXTRACT OF ANNUAL RETURN**

**As on the financial year ended on 31/03/2016**

**I REGISTRATION & OTHER DETAILS**

i	CIN	U51909AP1954PLC000525
ii	Registration Date	08.04.1954
iii	Name of the Company	SREE AKKAMAMBA TEXTILES LIMITED.
iv	Category of the Company	Public Company
v	<b>Address of the Registered office &amp; contact details</b>	
	Address :	Venkatarayapuram
	Town / City :	Tanuku
	State :	Andhra Pradesh - 534215
	Country Name :	India
	Telephone (with STD Code) :	08819224945
	Fax Number :	--
	Email Address :	akkamamba@gmail.com
	Website, if any:	www.akkamamba.com
vi	Whether listed company	No
vii	<b>Name and Address of Registrar &amp; Transfer Agents ( RTA ):-</b>	
	Name of RTA:	NA
	Address :	-
	Town / City :	-
	State :	-
	Pin Code:	-
	Telephone :	-
	Fax Number :	-
	Email Address :	-

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

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

Spinning Mill

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	Spun Yarn	5205	100

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

No. of Companies for which information is being filled	Nil
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**IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)****i. Category-wise Shareholding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/ HUF	0	957120	957120	55.12%	0	963120	963120	55.47%	0.35%
b) Central Govt	0	0	0	0.00%	0	0	0	0.00%	0.00%
c) State Govt(s)	0	0	0	0.00%	0	0	0	0.00%	0.00%
d) Bodies Corp.	0	8880	8880	0.51%	0	8880	8880	0.51%	0.00%
e) Banks / FI	0	0	0	0.00%	0	0	0	0.00%	0.00%
f) Any other	0	0	0	0.00%	0	0	0	0.00%	0.00%
(2) Foreign									
a) NRI - Individual/	0	0	0	0.00%	0	0	0	0.00%	0.00%
b) Other - Individual/	0	0	0	0.00%	0	0	0	0.00%	0.00%
c) Bodies Corp.	0	0	0	0.00%	0	0	0	0.00%	0.00%
d) Banks / FI	0	0	0	0.00%	0	0	0	0.00%	0.00%
e) Any Others	0	0	0	0.00%	0	0	0	0.00%	0.00%
Total shareholding of Promoter(A)	0	966000	966000	55.63%	0	972000	972000	55.98%	0.35%
<b>B. Public Shareholding</b>									
1. Institutions									
a) Mutual Funds	0	0	0	0.00%	0	0	0	0.00%	0.00%
b) Banks / FI	0	0	0	0.00%	0	0	0	0.00%	0.00%
c) Central Govt	0	0	0	0.00%	0	0	0	0.00%	0.00%
d) State Govt(s)	0	0	0	0.00%	0	0	0	0.00%	0.00%
e) Venture Capital Funds	0	0	0	0.00%	0	0	0	0.00%	0.00%
f) Insurance Companies	0	0	0	0.00%	0	0	0	0.00%	0.00%
g) FIs	0	0	0	0.00%	0	0	0	0.00%	0.00%
h) Foreign Venture Capital Funds	0	0	0	0.00%	0	0	0	0.00%	0.00%
i) Others (Bodies Corp.)	0	0	0	0.00%	0	0	0	0.00%	0.00%
Sub-total (B)(1):-	0	0	0	0.00%	0	0	0	0.00%	0.00%
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	0	140000	140000	8.06%	0	140000	140000	8.06%	0.00%
ii) Overseas	0	0	0	0.00%	0	0	0	0.00%	0.00%
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	0	433312	433312	24.96%	0	427312	427312	24.61%	-0.35%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	0	197040	197040	11.35%	0	197040	197040	11.35%	0.00%
c) Others (specify)	0	0	0	0.00%	0	0	0	0.00%	0.00%
Sub-total (B)(2):-	0	770352	770352	44.37%	0	764352	764352	44.02%	-0.35%
Total Public Shareholding (B)=(B)(1)+ (B)(2)	0	770352	770352	44.37%	0	764352	764352	44.02%	-0.35%
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0.00%	0	0	0	0.00%	0.00%
<b>Grand Total (A+B+C)</b>	<b>0</b>	<b>1736352</b>	<b>1736352</b>	<b>100.00%</b>	<b>0</b>	<b>1736352</b>	<b>1736352</b>	<b>100.00%</b>	<b>0.00%</b>

ii. Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	B. BULLIRAMIAH	24000	1.38%	0.00%	24000	1.38%	0.00%	0.00%
2	M. VIKRAM PRASAD	10800	0.62%	0.00%	10800	0.62%	0.00%	0.00%
3	M.SATYANARAYANAMMA	55657	3.21%	0.00%	55677	3.21%	0.00%	0.00%
4	P.NARENDRANADH CHOWDARY	40000	2.30%	0.00%	40000	2.30%	0.00%	0.00%
5	P. V KRISHNA RAO	20000	1.15%	0.00%	20000	1.15%	0.00%	0.00%
6	P.ATCHYUTARAMAYYA	4000	0.23%	0.00%	4000	0.23%	0.00%	0.00%
7	J. USHA RANI	14857	0.86%	0.00%	14857	0.86%	0.00%	0.00%
8	S.RANGANAYAKI	12000	0.69%	0.00%	12000	0.69%	0.00%	0.00%
9	M. KAMALA DEVI	12000	0.69%	0.00%	12000	0.69%	0.00%	0.00%
10	P.S.R.V.K.RANGA RAO	40000	2.30%	0.00%	40000	2.30%	0.00%	0.00%
11	M. THIMMARAJA	2000	0.12%	0.00%	2000	0.12%	0.00%	0.00%
12	M. RENUKA	38000	2.19%	0.00%	38000	2.19%	0.00%	0.00%
13	G. DEVI	20000	1.15%	0.00%	20000	1.15%	0.00%	0.00%
14	G. ANURADHA	20000	1.15%	0.00%	20000	1.15%	0.00%	0.00%
15	M. NARENDRANADH	2000	0.12%	0.00%	2000	0.12%	0.00%	0.00%
16	M. NARAYANAMMA	38000	2.19%	0.00%	38000	2.19%	0.00%	0.00%
17	M. VIKRAM PRASAD	16000	0.92%	0.00%	16000	0.92%	0.00%	0.00%
18	J. ANANTHA LAKSHMI	2000	0.12%	0.00%	2000	0.12%	0.00%	0.00%
19	M.S.R.V.K.RANGA RAO	49600	2.86%	0.00%	49600	2.86%	0.00%	0.00%
20	M. HARISCHANDRA PRASAD	49600	2.86%	0.00%	49600	2.86%	0.00%	0.00%
21	P. VENKATARAYUDU	10000	0.58%	0.00%	10000	0.58%	0.00%	0.00%
22	P. RAVI	10000	0.58%	0.00%	10000	0.58%	0.00%	0.00%
23	M. NARENDRANADH	59200	3.41%	0.00%	59200	3.41%	0.00%	0.00%
24	M. THIMMARAJA	81600	4.70%	0.00%	81600	4.70%	0.00%	0.00%
25	S. V. INV & FIN. CO LTD.,	1760	0.10%	0.00%	1760	0.10%	0.00%	0.00%
26	T. M. INV & FINANCE CO (P) LTD.,	200	0.01%	0.00%	200	0.01%	0.00%	0.00%
27	S.T. INV & FINANCE CO (P) LTD	200	0.01%	0.00%	200	0.01%	0.00%	0.00%
28	S. V. DEVELOPERS & SEC P LTD.	3360	0.19%	0.00%	3360	0.19%	0.00%	0.00%
29	V. FINANCE PRIVATE LIMITED	3360	0.19%	0.00%	3360	0.19%	0.00%	0.00%
30	D. KAMALA	20	0.00%	0.00%	0	0.00%	0.00%	0.00%
31	M. SRIVANI	1500	0.09%	0.00%	1500	0.09%	0.00%	0.00%
32	E. RAMALAKSHMI	2858	0.16%	0.00%	2858	0.16%	0.00%	0.00%
33	N. ANANTALAKSHMI DEVI	2857	0.16%	0.00%	2857	0.16%	0.00%	0.00%
34	S.B.RADHIKA	2857	0.16%	0.00%	2857	0.16%	0.00%	0.00%
35	M.KAMALADEVI	2857	0.16%	0.00%	2857	0.16%	0.00%	0.00%
36	P. VENKATA RAYUDU	4000	0.23%	0.00%	4000	0.23%	0.00%	0.00%
37	P. RAVI	4000	0.23%	0.00%	4000	0.23%	0.00%	0.00%
38	M. VENKATARAYUDU	4000	0.23%	0.00%	6000	0.35%	0.00%	0.12%
39	M. THIMMARAJA (IND)	32000	1.84%	0.00%	32000	1.84%	0.00%	0.00%
40	M. NARENDRANATH (IND)	139800	8.05%	0.00%	139800	8.05%	0.00%	0.00%
41	M. MRUTYUMJAYA PRASAD	107800	6.21%	0.00%	107800	6.21%	0.00%	0.00%
42	P. SUJATHA	952	0.05%	0.00%	952	0.05%	0.00%	0.00%
43	T. RAJKUMAR	952	0.05%	0.00%	952	0.05%	0.00%	0.00%
44	MASHA RANI	953	0.05%	0.00%	953	0.05%	0.00%	0.00%
45	M. RENUKA	5200	0.30%	0.00%	5200	0.30%	0.00%	0.00%
46	M. NARAYANAMMA	5200	0.30%	0.00%	5200	0.30%	0.00%	0.00%
47	M. RUKMINI	4000	0.23%	0.00%	6000	0.35%	0.00%	0.12%
48	M. RAMYATARA	4000	0.23%	0.00%	6000	0.35%	0.00%	0.12%
	TOTAL	966000	55.63%	0.00%	972000	55.98%	0.00%	0.35%

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

Sl. No. 1 - Mr. Mullapudi Venkatarayudu	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	4000	0.23%	4000	0.23%
Changes During the Year				
<b>Increase</b>				
<b>Date</b>	<b>Reason for Increase</b>			
22-06-2015	Transfer		1000	0.06%
08-02-2016	Transfer		1000	0.06%
	Other			
<b>Decrease</b>				
<b>Date</b>	<b>Reason for Decrease</b>			
	Transfer			
	Other			
At the End of the year	4000	0.23%	6000	0.35%
Sl. No. 2 - Mullapudi Rukmini	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	4000	0.23%	4000	0.23%
Changes During the Year				
<b>Increase</b>				
<b>Date</b>	<b>Reason for Increase</b>			
22-06-2015	Transfer		1000	0.06%
08-02-2016	Transfer		1000	0.06%
	Other			
<b>Decrease</b>				
<b>Date</b>	<b>Reason for Decrease</b>			
	Transfer			
	Other			
At the End of the year	4000	0.23%	6000	0.35%
Sl. No. 3 - Mullapudi Ramya Tara	Shareholding at the		Cumulative Shareholding	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	4000	0%	4000	0%
Changes During the Year				
<b>Increase</b>				
<b>Date</b>	<b>Reason for Increase</b>			
22-06-2015	Transfer		1000	0.06%
08-02-2016	Transfer		1000	0.06%
	Other			
<b>Decrease</b>				
<b>Date</b>	<b>Reason for Decrease</b>			
	Transfer			
	Other			
At the End of the year	4000	0%	6000	0.35%



Sree Akkamamba Textiles Ltd.,

Sl. No. 4 - Smt M Satyanarayamma	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of	% of total	No. of	% of total
At the beginning of the year	55657	3.21%	55657	3.21%
Changes During the Year				
<b>Increase</b>				
<b>Date</b>	<b>Reason for Increase</b>			
01-12-2015	Transfer		20	0.00%
	Other			
<b>Decrease</b>				
<b>Date</b>	<b>Reason for Decrease</b>			
	Transfer			
	Other			
At the End of the year	55657	3.21%	55677	3.21%

Sl. No. 5 - Smt D Kamala	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	20	0.00%	20	0.00%
Changes During the Year				
<b>Increase</b>				
<b>Date</b>	<b>Reason for Increase</b>			
	Transfer			
	Transfer			
	Other			
<b>Decrease</b>				
<b>Date</b>	<b>Reason for Decrease</b>			
01-12-2015	Transfer		20	0.00%
	Other			
At the End of the year	20	0.00%	0	0.00%

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

Sl. No.: 1 For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>1) BOLLA SESHA SAI</b>				
At the beginning of the year	36,000	2.07%		
Changes During the Year	-			
At the End of the year	36,000	2.07%	36,000	2.07%
<b>2) VASIREDDY BHARATH</b>				
At the beginning of the year	26,240	1.51%		
Changes During the Year	-			
At the End of the year	26,240	1.51%	26,240	1.51%
<b>3) VADLAPATLA KANAKADURGA DEVI</b>				
At the beginning of the year	22,000	1.27%		
Changes During the Year	-			
At the End of the year	22,000	1.27%	22,000	1.27%
<b>4) V V N M RAMAKRISHNA KARTHIK</b>				
At the beginning of the year	21,200	1.22%		
Changes During the Year	-		-	
At the End of the year	21,200	1.22%	21,200	1.22%
<b>5) PAMULAPATI SAKUNTALA DEVI</b>				
At the beginning of the year	18,000	1.04%		
Changes During the Year	-			
At the End of the year	18,000	1.04%	18,000	1.04%
<b>6) YARLAGADDA UMA DEVI</b>				
At the beginning of the year	17,600	1.01%		
Changes During the Year	-			
At the End of the year	17,600	1.01%	17,600	1.01%
<b>7) B V V S RAMESH KUMAR</b>				
At the beginning of the year	16,000	0.92%		
Changes During the Year	-			
At the End of the year	16,000	0.92%	16,000	0.92%
<b>8) B V V S RAMESH KUMAR</b>				
At the beginning of the year	16,000	0.92%		
Changes During the Year	-			
At the End of the year	16,000	0.92%	16,000	0.92%
<b>9) VEMANA INDIRA</b>				
At the beginning of the year	12,000	0.69%		
Changes During the Year	-			
At the End of the year	12,000	0.69%	12,000	0.69%
<b>10) JAGARLAMUDI MOHINI DEVI</b>				
At the beginning of the year	12,000	0.69%		
Changes During the Year	-			
At the End of the year	12,000	0.69%	12,000	0.69%

**v Shareholding of Directors and Key Managerial Personnel:**

1. PENDYALA NARENDRNATH CHOWDARY	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	40000	2.30	40000	2.30
Changes During the Year	No Changes			
At the End of the year			40000	2.30

  

2 SRI MULLAPUDI NARENDRANATH	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	201000	11.58	201000	11.58
Changes During the Year	No Changes			
At the End of the year			201000	11.58

  

3. SRI MULLAPUDI SRI RAMACHANDRA VENKATA KRISHNA RANGARAO	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	49600	2.86%	49600	2.86%
Changes During the Year	No Changes			
At the End of the year			49600	2.86%

  

4. SRI JAGARLAMUDI MURALI MOHAN	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	4000	0.23%	4000	0.23%
Changes During the Year	No Changes			
At the End of the year			4000	0.23%

  

5. SRI NULI VENKATA SOMARAJU	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	1000	0.06%	1000	0.06%
Changes During the Year	No Changes			
At the End of the year			1000	0.06%

  

6. SRI JAGARLAMUDI SURESH	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	0	0.00%	0	0.00%
Changes During the Year	No Changes			
At the End of the year			0	0.00%

vi **INDEBTEDNESS**

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

<b>Indebtedness at the beginning of the financial year</b>	<b>Secured Loans excluding deposits</b>	<b>Unsecured Loans</b>	<b>Deposits</b>	<b>Total Indebtness</b>
i) Principal Amount	358203687	50271481	64143000	472618168
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	8412251	8412251
<b>Total (i+ii+iii)</b>	358203687	50271481	72555251	481030419
<b>Change in Indebtedness during the financial year</b>	<b>Secured Loans excluding</b>	<b>Unsecured Loans</b>	<b>Deposits</b>	<b>Total Indebtness</b>
* Addition	0	0	42233000	42233000
* Reduction	72848024	19936877	29503000	122287901
<b>Net Change</b>	-72848024	-19936877	12730000	-80054901
<b>Indebtedness at the end of the financial year</b>	<b>Secured Loans excluding</b>	<b>Unsecured Loans</b>	<b>Deposits</b>	<b>Total Indebtness</b>
i) Principal Amount	285355663	30334604	76873000	392563267
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	9373232	9373232
<b>Total (i+ii+iii)</b>	285355663	30334604	86246232	401936499

vii **REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

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

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		MSRVK Rangarao, Managing Director		
1	Gross salary	2163403		2163403
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2036079		2036079
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	127324		127324
	(c) Profits in lieu of salary under section 17(3) of the Income- tax Act, 1961	---		---
2	Stock Option	---		---
3	Sweat Equity	---		---
4	Commission - as % of profit - others,	---		---
5	Others, please specify	---		---
	Total (A)	2163403		2163403
	Ceiling as per the Act.	4200000		4200000

B. *Remuneration to other directors:*

Sl. no.	Particulars of Remuneration	Name of Directors			Total Amount
		J.Murali Mohan	N V Somaraju	J Suresh	
1	<b>Independent Directors</b>				
	Fee for attending board / committee meetings	15000	20000	20000	55000
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	15000	20000	20000	55000
2	<b>Other Non-Executive Directors</b>				
	Fee for attending board / committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	15000	20000	20000	55000
	Total Managerial Remuneration	-	-	-	2218403
	Overall Ceiling as per the Act	-	-	-	-

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

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1	Gross salary	-	-	-	-
	(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	-	-	-	-
	Total	-	-	-	-

## viii 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	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

**Annexure 'C' to Directors' Report**

**FORM NO.AOC-2**

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

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

1. Details of contracts or arrangements or transactions not at arm's length basis.
  - a) Name(s) of the related party and nature of relationship: NIL
  - b) Nature of contracts/arrangements/transactions: NIL
  - c) Duration of the contracts/arrangements/transactions: NIL
  - d) Salient terms of the contracts/arrangements/transactions including the value, if any: NIL
  - e) Justification for entering into such contracts/arrangements/transactions: NIL
  - f) Date(s) of approval by the Board: NIL
  - g) Amount paid as advances, if any: NIL
  - h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188: NIL

2. Details of material contracts/arrangement/transactions at arm's length basis

Name(s) of the related party and nature of relationship	Nature of contracts / arrangements / transactions	Duration of the contracts / arrangements / transactions	Salient terms of the contracts/ arrangements/ transactions including the value, if any (Rs. Lakhs)	Date(s) of approval by the Board, if any	Amount paid as advance, if any
M/s. Sree Venkataraya Printers & Packers Pvt. Ltd.	Purchase of paper cones and boxes / pads	01.04.2015 to 31.03.2016	100.00	23-01-2015	Nil
M/s. Sree Venkataraya Threads Pvt. Ltd.	Processing Charges (Reeling & Doubling)	01.04.2015 to 31.03.2016	164.09	23-01-2015	Nil
M/s.Royal Printing Works	Printing & supply of stationery	01.04.2015 to 31.03.2016	1.69	23-01-2015	Nil

**Annexure 'D' to Directors' Report**

**ANNUAL REPORT ON CSR ACTIVITIES**

**A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.**

**The Composition of the CSR Committee:**

Sri M. Narendranath, Chairman - Non-executive Director

Sri J. Murali Mohan - Independent Director and

Sri M.S.R.V.K. Rangarao,- Executive Director

The Committee met once during the year under review.

**Average net profit of the company for last three financial years**

Average Net profit Rs.5,48,85,865/-

Prescribed CSR expenditure (2% of the average net profit of last three financial years)

The company during the financial year 2015-16 is required to spend Rs.10,97,717/- towards CSR.

Details of CSR spent during the financial year;

(a) Total amount to be spent for the financial year; Rs.10,97,717/-

(b) Amount unspent, if any; Rs.10,97,717/-

(c) Manner in which the amount spent during the financial year is detailed below:

(Rs. Lakhs)

Sl. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs were undertaken	Amount outlay (budget) project or programs-wise	Amount spent on the projects or programs Sub-heads (1) Direct expenditure on projects or programs (2) overheads	Cumulative expenditure up to the reporting period	Amount spent Direct or through implementing agency
	--	--	--	--	--	--	--

**Responsibility Statement by the Corporate Responsibility Committee:**

The implementation and monitoring of CSR Policy, is in compliance with CSR objectives and policy of the Company. The committee is looking for a suitable project/activity to undertake and spend the above amount during the current financial year.

Tanuku  
25th May,2016

(M.S.R.V.K. Rangarao)  
Managing Director

(P. Narendranath Chowdary)  
Chairman



## **INDEPENDENT AUDITORS' REPORT**

To the Members of **SREE AKKAMAMBA TEXTILES LIMITED, TANUKU.**

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

We have audited the accompanying financial statements of SREE AKKAMAMBA TEXTILES LIMITED, which comprise the Balance Sheet as at March 31, 2016, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act 2013 with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments in estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that we are 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.

### **Auditors' Responsibility:**

Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and 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 accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors as well as evaluating the overall presentation of the financial statements.

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

**Opinion:**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the company as at 31st March, 2016, and its Profit and its Cash Flows for the year ended on that date.

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

- 1 As required by the Companies (Auditor's Report order) Order, 2016 ('the order') issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, We give in the Annexure A, a statement on the matters specified in 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 explanation which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the company so far as it appears from our examination of those books
  - c. The Balance sheet, the statement of Profit and Loss, and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
  - d. In our opinion, the aforesaid financial statements comply with the accounting standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of Section 164(2) of the Act.
  - f. With respect to the adequacy of 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 Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 in our opinion and to the best of our information and according to the explanations given to us :
  - i. The company has disclosed the impact of pending litigations on its financial position in its financial statements-Refer Note 24 to the financial statements;

*Sree Akkamamba Textiles Ltd.,*

- ii. The company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses as at 31st March 2016.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

Place : TANUKU,  
Date : 25.05.2016.

For BRAHMAYYA & CO.,  
Chartered Accountants  
Firm Reg. No. 000513S  
T.V. RAMANA  
Partner  
(ICAI Membership No. 200523)

**ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT:**

The Annexure referred to in Paragraph 1 under the heading of "Report on other Legal and Regulatory Requirements" of our report of even date to the members of **SREE AKKAMAMBA TEXTILES LIMITED** for the year ended 31 March 2016. We report that:

- 1.1 The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- 1.2 The Fixed Assets are physically verified by the management according to a phased program designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. Pursuant to the program, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies have been noticed on such verification.
- 1.3 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.
2. The inventory has been physically verified by the management at reasonable intervals during the year under report. In our opinion, the frequency of such verification is reasonable. On the basis of our examination of the inventory records, in our opinion, the company is maintaining proper records of its inventory. The discrepancies noticed on physical verification of inventories as compared to book records were not material.
- 3 The company has not granted any loans to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act 2013. Therefore the provisions of clause 3(iii), (iii)(a), and (iii)(b) of the said order are not applicable to the company.
4. In our opinion and according to information and explanations given to us, the company has not granted any loans, guarantees and security as per Section 185 of the Companies Act, 2013. The company has complied with the provisions of Section 186 of the Companies Act, 2013 with respect to the investment made.
5. In our opinion the company has complied with the provisions of section 73 to 76 and other applicable provisions of the Companies Act, 2013 and Companies (Acceptance of Deposits) Rules, 2014 with regard to the deposits accepted. According to the information furnished to us, no Order has been passed on the company by the company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal for non-compliance with the provisions of Sections 73 to 76 of the Companies Act 2013.
- 6 We have broadly reviewed the books of account and records maintained by the company pursuant to the Rules made by the Central Government for the maintenance of Cost Records under section 148 of the Companies Act, 2013 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained.

7.1 According to the information and explanations given to us and the basis of our examination of the records of the company, in our opinion, the company is regular in depositing with the appropriate authorities, the undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Customs, duty of Excise, Value added tax, Cess and other material statutory dues applicable to it.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, duty of customs, value added tax, cess and other material statutory dues were in arrears as at 31st March 2016 for a period of more than six months from the date they became payable.

7.2 According to the information and explanations given to us, there were no amounts of Sales Tax, Customs Duty, Excise Duty, Cess, Income Tax, Wealth Tax, and Service Tax that have been disputed by the company, and hence, were not remitted to the concerned authorities at the date of the Balance Sheet under report.

8. According to the records of the company examined by us, and the information and explanations given to us, there were no defaults in repayment of dues to financial institutions, banks or debenture holders at the date of the Balance Sheet.

9. In our opinion, and according to the information and explanations given to us, the term loans taken by the company have been applied for the purpose for which they were raised.

10. According to the information and explanations given to us, we have neither come across any instance of material fraud by the company or on the company by its employees or officers noticed or reported during the year, nor have we been informed of any such case by the management.

11. According to the information and explanations given to us and based on our examination of the records the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Companies Act.

12. In our opinion, and according to the information and explanations furnished to us, the company is not a nidhi Company. Accordingly, paragraph 3(xii) of the order is not applicable.

13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with 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 accounting standards.

14. According to the information and explanation given to us and based on our examination of the records of the company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

15. According to the information and explanations given to us and based on our examination of the records of the Company, the company has not entered into non-cash transactions with directors or persons connected with him .Accordingly paragraph 3(xv) of the order is not applicable.
16. The company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

Place : TANUKU,  
Date : 25.05.2016.

For BRAHMAYYA & CO.,  
Chartered Accountants  
Firm Reg. No. 000513S  
T.V. RAMANA  
Partner  
(ICAI Membership No. 200523)

## **ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT:**

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of **SREE AKKAMAMBA TEXTILES LIMITED** as of 31 March, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India". 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 have conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting 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 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 decisive factor, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence so obtained is sufficient and appropriate to provide a basis for

our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail ,accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place : TANUKU,  
Date : 25.05.2016.

For BRAHMAYYA & CO.,  
Chartered Accountants  
Firm Reg. No. 000513S  
T.V. RAMANA  
Partner  
(ICAI Membership No. 200523)



## Balance Sheet As at 31st March, 2016

Equity and Liabilities	Notes	As at 31st March 2016 Rs.	As at 31st March 2015 Rs.
<b>Shareholders' Funds</b>			
Share Capital	2	1,73,63,520	1,73,63,520
Reserves and Surplus	3	36,30,66,742	34,14,93,631
		<b>38,04,30,262</b>	35,88,57,151
<b>Non-Current Liabilities</b>			
Long-term Borrowings	4	9,23,10,000	13,00,64,000
Other Long-term liabilities	5	2,98,44,192	2,95,96,191
Deferred Tax Liability (Net)	6	12,53,12,613	12,42,31,451
Long-term Provisions	7	14,09,839	14,24,745
		<b>24,88,76,644</b>	28,53,16,387
<b>Current Liabilities</b>			
Short-term Borrowings	8	26,02,53,267	25,45,54,168
Trade Payables	9.1	10,28,07,675	6,09,07,701
Other Current Liabilities	9.2	10,58,93,551	14,49,39,557
Short term Provisions	7	2,09,96,204	1,57,48,734
		<b>48,99,50,697</b>	47,61,50,160
<b>TOTAL</b>		<b>111,92,57,603</b>	112,03,23,698
<b>Assets</b>			
<b>Non current Assets</b>			
<b>Fixed Assets</b>			
Tangible Assets (Net Block)	10	68,83,07,078	73,17,27,537
Capital Work in Progress		-	-
Non-current Investments	11	3,88,22,298	3,88,22,298
Deferred Tax Assets (net)			
Long term Loans and Advances	12	5,82,39,985	6,08,45,005
Trade Receivables	13.1	-	-
Other Non Current assets	13.2	-	-
		<b>78,53,69,361</b>	83,13,94,840
<b>Current Assets</b>			
Inventories	14	20,05,28,487	14,94,55,251
Trade Receivables	13.1	9,35,65,800	9,44,22,198
Cash and Bank Balances	15	80,65,406	2,55,58,024
Short term Loans and Advances	12	2,52,72,937	1,80,44,320
Other Current Assets	13.2	64,55,612	14,49,064
		<b>33,38,88,242</b>	28,89,28,857
<b>TOTAL</b>		<b>111,92,57,603</b>	112,03,23,698
Summary of Significant Accounting policies	1		

The accompanying notes are an integral part of the financial statements.

As per our report of even date for BRAHMAYYA & CO. Chartered Accountants Firm Regn.No.000513S T.V.Ramana, Partner Membership No. : 200523 Place : Venkatarayapuram, Tanuku Date : 25th May, 2016

For and on behalf of the Board of Directors  
P.Narendranath Chowdary, Chairman  
M.S.R.V.K.Rangarao, Managing Director  
N.Satyanarayana, General Manager (Fin & Admn.)

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2016**

Particulars	Notes	Current Reporting Period 2015-16 Rs.	Previous Reporting Period 2014-15 Rs.
<b>Income:</b>			
Revenue from operations	16	<b>114,38,07,632</b>	121,52,57,324
Other Income	17	<b>56,19,335</b>	46,13,958
<b>Total Revenue (I)</b>		<b>114,94,26,967</b>	121,98,71,282
<b>Expenses:</b>			
Cost of raw materials and components consumed	18	<b>52,00,36,005</b>	58,43,61,454
[Increase]/Decrease in Inventories of finished goods	19	<b>29,49,713</b>	1,52,14,621
Employee benefits expense	20	<b>15,04,94,743</b>	14,20,25,640
Other expenses	21	<b>33,69,04,097</b>	33,06,05,576
Depreciation and amortization expense	22	<b>4,45,54,233</b>	4,55,64,837
Finance Costs	23	<b>5,42,60,808</b>	6,45,25,356
<b>Total Expenses (II)</b>		<b>110,91,99,599</b>	118,22,97,484
Profit/(Loss) before exceptional items & tax		<b>4,02,27,368</b>	3,75,73,798
Exceptional items		-	-
<b>Profit/(Loss) before tax</b>		<b>4,02,27,368</b>	3,75,73,798
Less : <b>Tax expenses:</b>			
Tax		<b>79,75,842</b>	83,00,000
MAT credit entitlement utilised		<b>64,31,120</b>	-
Current tax		<b>1,44,06,962</b>	83,00,000
Deferred tax		<b>10,81,164</b>	60,15,039
Less: Excess provision for earlier years		<b>10,13,533</b>	28,465
MAT credit entitlement		-	(8,87,328)
MAT credit entitlement for earlier years		-	5,16,890
<b>Total tax expense</b>		<b>1,44,74,592</b>	1,46,57,012
<b>Profit/(Loss)( after tax) for the year from continuing operations</b>		<b>2,57,52,776</b>	2,29,16,786
Earning per Equity Share:			
Basic and diluted		<b>14.83</b>	13.20
Summary of Significant Accounting policies	1		

The accompanying notes are an integral part of the financial statements.

As per our report of even date for BRAHMAYYA & CO.  
Chartered Accountants  
Firm Regn.No.000513S  
T.V.Ramana, Partner  
Membership No. : 200523  
Place : Venkatarayapuram, Tanuku  
Date : 25th May, 2016

For and on behalf of the Board of Directors  
P.Narendranath Chowdary, Chairman  
M.S.R.V.K.Rangarao, Managing Director  
N.Satyanarayana, General Manager (Fin & Admn.)

**CASH FLOW STATEMENT FOR THE YEAR 2015 - 16**

	2015-2016 Rs.	2014-2015 Rs.
<b>I. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net Profit before Tax	<b>4,02,27,368</b>	3,75,73,798
Add/Less:		
Adjustments for:		
Depreciation	<b>4,45,54,233</b>	4,55,64,837
Interest paid	<b>5,37,46,438</b>	6,39,80,410
Interest received	<b>(23,03,205)</b>	(21,70,622)
Dividends received	<b>(24,15,520)</b>	(15,09,700)
Profit on sale of assets	<b>(1,32,016)</b>	(1,01,486)
Loss on sale of assets/written off	<b>0</b>	0
Operating Profit before working capital changes	<b>13,36,77,298</b>	14,33,37,237
Adjustments for		
Inventories	<b>(5,10,73,236)</b>	11,44,41,412
Investments	-	(1,000)
Long Term Liability	<b>2,48,001</b>	(12,25,783)
Long Term Provision	<b>(14,906)</b>	(37,76,967)
Trade Payables	<b>4,18,99,974</b>	(4,16,93,471)
Current Liability	<b>89,53,994</b>	(80,94,642)
Short term Provision	<b>(8,72,116)</b>	-28,63,229
Trade Receivables	<b>8,56,398</b>	(1,17,53,504)
Long term Loans & Advances	<b>-38,26,100</b>	55,274
Short term Loans & Advances	<b>-17,71,454</b>	-28,47,262
Current Assets	<b>(50,06,548)</b>	1,64,684
Cash Generated from operations	<b>12,30,71,305</b>	18,57,42,749
Less:Direct Taxes paid/Refund (Net)	<b>63,12,509</b>	1,37,70,164
Net Cash from operating activities before extra ordinary items	<b>11,67,58,796</b>	17,19,72,585
Net cash from Operating activities (A)	<b>11,67,58,796</b>	17,19,72,585

	<b>2015-2016 Rs.</b>	2014-2015 Rs.
<b>II. CASH FLOW FROM INVESTMENT ACTIVITIES:</b>		
Purchase of Fixed Assets	<b>(12,45,419)</b>	(2,82,66,079)
Proceeds from sale of assets	<b>2,43,660</b>	2,45,100
Interest received	<b>23,03,205</b>	21,70,622
Dividends received	<b>24,15,520</b>	15,09,700
Net cash used in Investment activities (B)	<b>37,16,966</b>	(2,43,40,657)
<b>III. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Acceptance/(Repayment) of loans	<b>(8,00,54,901)</b>	(5,68,94,122)
Dividends paid	<b>(34,72,704)</b>	(34,72,704)
Dividend Tax paid	<b>(6,94,337)</b>	(5,90,186)
Interest paid	<b>(5,37,46,438)</b>	(6,39,80,410)
Net cash used for Financing activities (C)	<b>(13,79,68,380)</b>	(12,49,37,422)
Net increase in cash and its equivalents (A+B+C)	<b>(1,74,92,618)</b>	2,26,94,506
Opening cash & bank balances as on 1-4-2015	<b>2,55,58,024</b>	28,63,518
Closing cash & bank balances as on 31-3-2016	<b>80,65,406</b>	2,55,58,024
	<b>1,74,92,618</b>	(2,26,94,506)

The accompanying notes are an integral part of the financial statements.

As per our report of even date for BRAHMAYYA & CO.  
Chartered Accountants  
Firm Regn.No.000513S  
T.V.Ramana, Partner  
Membership No. : 200523  
Place : Venkatarayapuram, Tanuku  
Date : 25th May, 2016

For and on behalf of the Board of Directors  
P.Narendranath Chowdary, Chairman  
M.S.R.V.K.Rangarao, Managing Director  
N.Satyanarayana, General Manager (Fin & Admn.)

## **NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

### **Note 1 - ACCOUNTING POLICIES**

#### **i. GENERAL**

- a. The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India ( Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards as prescribed under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and the provisions of the Act (to the extent notified). The financial statements have been prepared under the historical cost convention on accrual basis.
- b. Use of Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in India requires management, where necessary, to make the estimates and assumptions that effect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from the estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimate is revised.

#### **ii. FIXED ASSETS**

Fixed Assets are stated at cost, less accumulated depreciation. Cost of acquisition of fixed assets is inclusive of freight, duties, taxes, incidental expenses relating to the cost of acquisition and the cost of installation/erection, as applicable.

#### **iii. INVESTMENTS**

Investments are stated at cost and income thereon is accounted for on accrual. Provision towards decline in the value of investments is made only when such decline is other than temporary.

#### **iv. BORROWING COSTS**

Borrowing costs that are directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to get ready for their intended use or sale are capitalized as part of cost of such assets. Other borrowing costs are recognized as an expense in the period in which they are incurred.

#### **v. INVENTORIES**

- a) Inventories are valued at lower of cost or net realizable value. In respect of Raw Materials, Stores and Spares cost is determined using FIFO and weighted average methods respectively. Cost of work-in-progress and finished goods include appropriate portion of overheads etc.,

- b) Stock of scrap and cotton waste are valued at estimated net realizable value.
- c) Tools and implements are valued at cost after providing for obsolescence.
- d) Machinery spares which can be used only in connection with an item of fixed assets and whose use is expected to be irregular are amortised over the life of the principal asset.

**vi. SALES**

Sales are inclusive of packing charges, freight and handling charges and are exclusive of Sales Tax.

**vii. EMPLOYEE BENEFITS:**

- a) Company's contributions to Employees' Provident Fund and Employee State Insurance are made under a Defined Contribution Plan, and are accounted for at actual cost in the year of accrual.
- b) The company's liability to gratuity on retirement of its eligible employees is funded with the Life Insurance Corporation of India. The incremental expense thereon for each year is arrived at as per actuarial valuation and is recognized and charged to the Statement of Profit and Loss in the year in which the employee has rendered service.
- c) Expense on account of unutilized/unencashed leave is arrived at as per actuarial valuation and is recognized and charged to the Statement of Profit and Loss in the year in which employee has rendered services in lieu of such leave.
- d) Gains/losses arrived at in the above actuarial valuations are charged to the Statement of Profit and Loss immediately in each year.

**viii. DEPRECIATION**

Depreciation is provided under straight line method in accordance with Schedule II to the Companies Act, 2013 treating the plant as a continuous process plant. Depreciation is computed at a uniform rate treating each Machine/Equipment as a single unit, since the value of components forming part thereof is insignificant.

**ix. FOREIGN EXCHANGE TRANSACTIONS**

- a) Export sales are initially accounted at the exchange rate prevailing on the date of documentation/invoicing and the same is adjusted with the difference in the rate of exchange arising on actual receipt of proceeds in foreign exchange.
- b) Import of materials/capital equipment are accounted at the rates at which the actual payments are effected.

- c) Assets and liabilities arising out of foreign exchange transactions, as mentioned above, are translated at the rates of exchange ruling on the date of Balance Sheet and are suitably adjusted to the appropriate revenue/capital account.

**x. DIVIDEND**

Provision is made in the accounts for the dividends payable by the company as recommended by the Board of Directors, pending approval of the shareholders at the Annual General Meeting.

**xi. TAXATION**

Provision is made for income tax liability estimated to arise on the results for the year at the current rate of tax in accordance with the Income Tax Act, 1961.

- Deferred tax resulting from timing differences between book and tax profits is accounted for under the liability method, at the current rate of tax.
- Deferred tax assets arising on account of brought forward losses and unabsorbed depreciation are recognized only when there is virtual certainty supported by convincing evidence that such assets will be realized. Deferred tax assets arising on other temporary timing differences are recognized only if there is a reasonable certainty of realization.
- Minimum alternate tax payable under the provisions of the Income Tax Act, 1961 is recognized as an asset in the year in which credit become eligible and is set off to the extent allowed in the year in which the company becomes liable to pay income taxes at the enacted tax rates.

**xii. IMPAIRMENT OF ASSETS**

An asset is treated as impaired when the carrying cost of the same exceeds its recoverable amount. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

**xiii. CONTINGENT LIABILITIES**

Contingent liabilities are not recognized in the accounts, but are disclosed after a careful evaluation of the concerned facts and the legal issues involved.

<b>Note 2 - Share Capital</b>	<b>As At 31st March 2016 Rs.</b>	<b>As At 31st March 2015 Rs.</b>
<u>Authorised Shares :</u>		
2750000 (31 March 2015 : 2750000) equity shares of Rs.10/-each	<b>2,75,00,000</b>	2,75,00,000
25000 (31-03-2015: 25000) 9.50% Cumulative redeemable preference shares of Rs.100/- each.	<b>25,00,000</b>	25,00,000
	<b>3,00,00,000</b>	3,00,00,000
<u>Issued Shares :</u>		
1769308(31 March 2015 :1769308) equity shares of Rs.10/- each.	<b>1,76,93,080</b>	1,76,93,080
	<b>1,76,93,080</b>	1,76,93,080
<u>Subscribed and fully paid-up shares :</u>		
1736352(31 March 2015 :1736352) equity shares of Rs.10/- each.	<b>1,73,63,520</b>	1,73,63,520
Total issued, subscribed and fully paid-up capital	<b>1,73,63,520</b>	1,73,63,520

  

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period.	As At 31st March 2016 (Rs.)		As At 31st March 2015 (Rs.)	
	No.	Rs.	No.	Rs.
<u>Equity Shares :</u>				
At the beginning of the period	<b>17,36,352</b>	<b>1,73,63,520</b>	17,36,352	1,73,63,520
Issued during the period - Bonus issue	-	-	-	-
Issued during the period - ESOP	-	-	-	-
Outstanding at the end of the period	<b>17,36,352</b>	<b>1,73,63,520</b>	17,36,352	1,73,63,520

  

b. Details of shareholders holding more than 5% shares in the company				
Equity shares of Rs. 10/- each fully paid	As At 31st March 2016 (Rs.)		As At 31st March 2015 (Rs.)	
	No.	% holding in the class	No.	% holding in the class
1) The Andhra Sugars Ltd.,	<b>1,40,000</b>	<b>8.06%</b>	1,40,000	8.06%
2) Sri Mullapudi Narendranath	<b>2,01,000</b>	<b>11.58%</b>	2,01,000	11.58%
3) Sri Mullapudi Thimmaraja	<b>1,15,600</b>	<b>6.66%</b>	1,15,600	6.66%
4) Sri Mullapudi Mrutyumjaya Prasad	<b>1,07,800</b>	<b>6.21%</b>	1,07,800	6.21%
Total	<b>5,64,400</b>	<b>32.50%</b>	5,64,400	32.50%



<b>Note 3 - Reserves and Surplus</b>	<b>As At 31st March 2016 Rs.</b>	<b>As At 31st March 2015 Rs.</b>
<b>General Reserve</b>		
Balance as per the last Financial Statements	<b>27,00,00,000</b>	25,00,00,000
Add : Transfer from Surplus balance in the Statement of Profit and Loss.	<b>3,00,00,000</b>	2,00,00,000
Closing Balance	<b>30,00,00,000</b>	27,00,00,000
Surplus / (Deficit) in Profit and Loss Statements	<b>7,14,93,631</b>	7,27,70,712
Profit/Loss(-) for the year	<b>2,57,52,776</b>	2,29,16,786
	<b>9,72,46,407</b>	9,56,87,498
Less : Appropriations		
Proposed Final Dividend	<b>34,72,704</b>	34,72,704
Tax on distributed Profits	<b>7,06,961</b>	7,21,163
Transfer to General Reserve	<b>3,00,00,000</b>	2,00,00,000
Total Appropriations	<b>3,41,79,665</b>	2,41,93,867
Net Surplus in statement of Profit and Loss	<b>6,30,66,742</b>	7,14,93,631
Total Reserves and Surplus taken to Balance Sheet	<b>36,30,66,742</b>	34,14,93,631

  

<b>Note 4 - Long Term Borrowings</b>	Non-current portion		Current maturities	
	<b>As At 31st March 2016 Rs.</b>	<b>As At 31st March 2015 Rs.</b>	<b>As At 31st March 2016 Rs.</b>	<b>As At 31st March 2015 Rs.</b>
<b>Term Loans</b>				
Rupee loan from banks (secured)				
i) Term Loan from Andhra Bank	-	-	-	3,36,00,000
ii) Term Loan from State Bank of Hyderabad	-	-	-	1,44,00,000
iii) Term Loan from Andhra Bank	<b>4,00,00,000</b>	6,00,00,000	<b>2,00,00,000</b>	2,00,00,000
	<b>4,00,00,000</b>	6,00,00,000	<b>2,00,00,000</b>	6,80,00,000
Inter Corporate Loan (Unsecured) From JOCIL Ltd	<b>1,00,00,000</b>	3,00,00,000	<b>2,00,00,000</b>	2,00,00,000
<u>Other Loans and advances:</u>				
Deposits (unsecured)				
Deposit from Directors	<b>13,07,000</b>	-	-	-
Deposits from share holders	<b>4,10,03,000</b>	1,51,13,000	-	-
Deposits from Public	-	2,49,51,000	-	-
	<b>5,23,10,000</b>	7,00,64,000	<b>2,00,00,000</b>	2,00,00,000
Total Amount	<b>9,23,10,000</b>	13,00,64,000	<b>4,00,00,000</b>	8,80,00,000
The above amount includes				
Secured borrowings	<b>4,00,00,000</b>	6,00,00,000	<b>2,00,00,000</b>	6,80,00,000
Unsecured borrowings	<b>5,23,10,000</b>	7,00,64,000	<b>2,00,00,000</b>	2,00,00,000
Amount disclosed under the head "other current liabilities"(note 9)	-	-	<b>4,00,00,000</b>	8,80,00,000
Net Amount	<b>9,23,10,000</b>	13,00,64,000	<b>0</b>	0

Term Loans from Banks comprise of:

	i Andhra Bank	ii SBH	iii Andhra Bank
a) Loan availed (Rs.)	252000000	108000000	120000000
b) No. of instalments	30	30	24
c) Instalment commencing from	31-12-2007	31-12-2007	30-06-2013
d) Rate of Interest	BMPLR+0.25%-1.75%	<b>SBHPLR-2%</b>	Base rate+2.25%+TP
e) Instalment amount per quarter (Rs.)	8400000	3600000	5000000

(The above loans are secured by exclusive first charge on assets created out of the respective loan)

<b>Note 5 - Other Long Term Liabilities</b>	<b>As At 31st March 2016 Rs.</b>	<b>As At 31st March 2015 Rs.</b>
Trade payables	-	-
Total	-	-
Others		
Outstanding Liabilities for expenses	<b>2,73,26,922</b>	2,56,08,241
Trade Deposits	<b>1,29,842</b>	1,29,842
Advance from customers	-	-
Interest accrued but not due on deposits	<b>23,87,428</b>	38,58,108
Unearned revenue	-	-
Total	<b>2,98,44,192</b>	2,95,96,191

<b>Note 6 - Deferred Tax Liability (Net)</b>	<b>As At 31st March 2016 Rs.</b>	<b>As At 31st March 2015 Rs.</b>
<u>Deferred Tax Liability</u> Fixed assets: Impact of difference between tax depreciation and depreciation/ amortisation charged for the financial reporting others Gross deferred tax liability	<b>13,91,40,590</b>	13,57,52,715
<u>Deferred tax asset</u> Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis Provision for diminution in the value of investments Provision for doubtful debts and advances Others Gross deferred tax asset	<b>1,35,92,249</b> - <b>2,35,728</b> - <b>1,38,27,977</b>	1,12,89,942 - 2,31,322 - 1,15,21,264
<b>Net Deferred Tax Liability</b>	<b>12,53,12,613</b>	12,42,31,451

<b>Note 7 - Provisions</b>	Long Term		Short Term	
	<b>As At 31st March 2016 Rs.</b>	<b>As At 31st March 2015 Rs.</b>	<b>As At 31st March 2016 Rs.</b>	<b>As At 31st March 2015 Rs.</b>
<u>Provision for employee benefits:</u> Provision for gratuity Provision for leave benefits	- <b>14,09,839</b>	- 14,24,745	- <b>24,09,577</b>	10,69,592 22,12,101
	<b>14,09,839</b>	14,24,745	<b>24,09,577</b>	32,81,693
<u>Other Provisions:</u> Provision for Income tax Proposed Dividend Tax on proposed dividend	- - -	- - -	<b>1,44,06,962</b> <b>34,72,704</b> <b>7,06,961</b>	83,00,000 34,72,704 6,94,337
	-	-	<b>1,85,86,627</b>	1,24,67,041
	<b>14,09,839</b>	14,24,745	<b>2,09,96,204</b>	1,57,48,734

<b>Note 8 - Short Term Borrowings</b>	<b>As At 31st March 2016 Rs.</b>	<b>As At 31st March 2015 Rs.</b>
Cash credit from Banks (Secured)	<b>22,53,55,663</b>	23,02,03,687
Loan repayable on demand (Unsecured)		
- from Directors	<b>3,34,604</b>	2,71,481
Deposits (unsecured)		
- from Directors	-	9,65,000
- from Shareholders	<b>1,01,96,000</b>	32,56,000
- from Public	<b>2,43,67,000</b>	1,98,58,000
	<b>26,02,53,267</b>	25,45,54,168
<u>The above amount includes</u>		
Secured borrowings	<b>22,53,55,663</b>	23,02,03,687
Unsecured borrowings	<b>3,48,97,604</b>	2,43,50,481

Note : The above Cash Credit loan from Banks are secured by way of first charge on Cotton, Yarn, Stock-in-process, Stores and spares and book debts and second charge on the fixed assets. The same is repayable on demand.

<b>Note 9 - Other Current Liabilities</b>	<b>As At 31st March 2016 Rs.</b>	<b>As At 31st March 2015 Rs.</b>
<b>9.1 - Trade payables</b>		
Due to Micro, Small and Medium Enterprises (See Note No.24(11))	-	-
Due to Others	<b>10,28,07,675</b>	6,09,07,701
	<b>10,28,07,675</b>	6,09,07,701
<b>9.2 - Other Liabilities:</b>		
Current maturities of long term borrowings	<b>4,00,00,000</b>	8,80,00,000
Interest accrued but not due on borrowings	<b>69,85,804</b>	45,54,143
Advance from customers	<b>11,33,810</b>	12,56,678
Unclaimed dividend	<b>6,81,984</b>	6,05,036
Accrued Salaries and Benefits	<b>2,23,27,707</b>	1,34,04,654
Statutory Dues	<b>14,55,568</b>	11,09,852
Outstanding Liabilities for expenses	<b>1,89,35,514</b>	1,77,77,393
Other payables	<b>1,43,73,164</b>	1,82,31,801
	<b>10,58,93,551</b>	14,49,39,557
	<b>20,87,01,226</b>	20,58,47,258

**Note 10 - Tangible Assets**

Sl. No.	Description	Cost upto 31.03.15	Gross Block			Depreciation			Net Block	
			Cost upto 31.03.16	Additions during the year	Deductions during the year	Cost upto 31.03.15	for the year	on Deductions upto 31.03.16	W.D.V. AsAt 31.03.16	W.D.V. AsAt 31.03.15
1.	Land	22,61,750	-	-	22,61,750	-	-	-	22,61,750	22,61,750
2.	Buildings	7,71,37,811	-	-	7,71,37,811	22,69,421	2,94,93,101	3,17,62,522	4,53,75,289	4,76,44,710
3.	Roads	2,36,149	-	-	2,36,149	-	2,24,342	-	11,807	11,807
4	Plant & Machinery	118,53,07,076	11,91,719	7,64,914	118,57,33,881	3,36,05,021	53,68,42,617	7,26,669	61,60,12,912	64,84,64,460
5	Electrical Installations	3,34,78,289	-	14,67,972	3,20,10,317	37,46,292	1,84,36,357	13,94,573	1,12,22,241	1,50,41,932
6	Laboratory Equipment	2,64,45,318	-	-	2,64,45,318	44,46,437	1,09,50,743	-	1,10,48,138	1,54,94,575
7	Computers	28,42,688	53,700	-	28,96,388	20,112	26,87,099	-	1,89,177	1,55,589
8	Furniture & Fittings	20,29,833	-	-	20,29,833	44,672	16,95,632	-	2,89,529	3,34,201
9	Motor Vehicles	37,49,200	-	-	37,49,200	4,22,278	14,30,687	-	18,96,235	23,18,513
	<b>Total</b>	<b>133,34,88,114</b>	<b>12,45,419</b>	<b>22,32,886</b>	<b>133,25,00,647</b>	<b>4,45,54,233</b>	<b>60,17,60,578</b>	<b>21,21,242</b>	<b>68,83,07,078</b>	<b>73,17,27,537</b>
	Previous year	130,80,94,326	2,82,66,079	28,72,291	133,34,88,114	4,55,64,837	55,89,24,417	27,28,677	73,17,27,537	74,91,69,909

Note: (1) No impairment of assets, hence, the relevant disclosure was not made herein above.

<b>Note 11 - Non-current Investments</b>	<b>As At 31st March 2016 Rs.</b>	<b>As At 31st March 2015 Rs.</b>
Trade Investments (valued at cost unless stated otherwise)		
<u>Unquoted equity instruments</u>		
1268000 (31 March 2015:1268000) Equity shares of Rs. 10/- each, fully paid up in Andhra Pradesh Gas Power Corporation Ltd.,	<b>3,50,87,500</b>	3,50,87,500
Non-trade investments (valued at cost unless stated otherwise)	<b>3,50,87,500</b>	3,50,87,500
Investment in equity instruments(quoted)		
301940(31 March2015:301940) Equity shares of Rs.10/-each, fully paid up in The Andhra Sugars Ltd., Tanuku	<b>36,82,298</b>	36,82,298
<u>Equity Shares (Unquoted)</u>		
5100 (31 March 2015:5100) Equity Shares of Rs. 10/-each, fully paid up in The Andhra Farm Chemicals Corporation Ltd.,Kovvur	<b>51,000</b>	51,000
<u>Government and Trust securities (unquoted)</u>		
Investment in government securities	<b>1,500</b>	1,500
	<b>37,34,798</b>	37,34,798
	<b>3,88,22,298</b>	3,88,22,298
Aggregate amount of quoted Investments		
- Market Value Rs.	<b>4,18,33,787</b>	2,76,87,898
- Cost Rs.	<b>36,82,298</b>	36,82,298
"Aggregate amount of unquoted investments	<b>3,51,40,000</b>	3,51,40,000
Aggregate provision for diminution in value of investments	-	-

<b>Note 12 - Loans and advances</b>	Non-current		Current	
	<b>As At 31st March 2016 Rs.</b>	<b>As At 31st March 2015 Rs.</b>	<b>As At 31st March 2016 Rs.</b>	<b>As At 31st March 2015 Rs.</b>
<u>Capital Advances</u>				
Secured, considered good	-	-	-	-
Unsecured, considered good	<b>3,20,000</b>	-	-	-
<b>(A)</b>	<b>3,20,000</b>	-	-	-
<u>Security Deposit</u>				
Secured, considered good	-	-	-	-
Unsecured, considered good	<b>2,15,76,137</b>	1,80,70,037	-	-
Doubtful	-	-	-	-
	<b>2,15,76,137</b>	1,80,70,037	-	-
Provision for doubtful security deposit	-	-	-	-
<b>(B)</b>	<b>2,15,76,137</b>	1,80,70,037	-	-
Loans and advances to related parties				
Unsecured, considered good	-	-	-	-
<b>(C)</b>	-	-	-	-
<u>Advances recoverable in cash or kind</u>				
Secured, considered good	-	-	-	-
Unsecured, considered good	-	-	<b>69,50,090</b>	55,08,745
Doubtful	-	-	-	-
	-	-	<b>69,50,090</b>	55,08,745
Provision for doubtful advances	-	-	-	-
<b>(D)</b>	<b>0</b>	<b>0</b>	<b>69,50,090</b>	55,08,745
<u>Other Loans and Advances</u>				
Foreign Currency	-	-	-	-
MAT Credit	<b>3,63,43,848</b>	4,27,74,968	-	-
Advances to Trade Payables	-	-	-	65,500
Advance Income-tax / TDS	-	-	<b>1,17,84,176</b>	63,27,013
Interest subsidy receivable (TUFS)	-	-	<b>42,56,937</b>	45,98,884
Prepaid expenses	-	-	<b>16,65,378</b>	8,96,548
Loans and Advance to employees	-	-	-	31,274
Balances with Statutory / government authorities	-	-	<b>6,16,356</b>	6,16,356
<b>(E)</b>	<b>3,63,43,848</b>	4,27,74,968	<b>1,83,22,847</b>	1,25,35,575
<b>Total [A+B+C+D+E]</b>	<b>5,82,39,985</b>	6,08,45,005	<b>2,52,72,937</b>	1,80,44,320

<b>Note 13.1 - Trade receivables</b>	Non-current		Current	
	<b>As At 31st March 2016 Rs.</b>	As At 31st March 2015 Rs.	<b>As At 31st March 2016 Rs.</b>	As At 31st March 2015 Rs.
Unsecured, considered good, unless stated otherwise: Outstanding for a period exceeding six months from the due date of payment				
Secured, considered good	-	-	-	-
Unsecured, considered good	-	-	<b>21,375</b>	11,320
Doubtful	-	-	<b>7,12,967</b>	7,12,967
	-	-	<b>7,34,342</b>	7,24,287
Provision for doubtful receivables			<b>7,12,967</b>	7,12,967
<b>(A)</b>	-	-	<b>21,375</b>	11,320
<u>Other receivables</u>				
Secured, considered good	-	-	-	-
Unsecured, considered good	-	-	<b>9,35,44,425</b>	9,44,10,878
Doubtful	-	-	-	-
	-	-	<b>9,35,44,425</b>	9,44,10,878
Provision for doubtful receivables	-	-	-	-
<b>(B)</b>	-	-	<b>9,35,44,425</b>	9,44,10,878
<b>Total [A+B]</b>	-	-	<b>9,35,65,800</b>	9,44,22,198

  

<b>Note 13.2 - Other assets</b>	Non-current		Current	
	<b>As At 31st March 2016 Rs.</b>	As At 31st March 2015 Rs.	<b>As At 31st March 2016 Rs.</b>	As At 31st March 2015 Rs.
<u>Unsecured, considered good unless stated otherwise</u>				
Non-current bank balances	-	-	-	-
<b>[A]</b>	-	-	-	-
<u>Others</u>				
Gratuity Fund	-	-	<b>46,64,327</b>	-
Interest accrued	-	-	<b>17,91,285</b>	14,49,064
<b>[B]</b>	-	-	<b>64,55,612</b>	14,49,064
<b>Total [A+B]</b>	-	-	<b>64,55,612</b>	14,49,064



<b>Note 14 - Inventories (valued at lower of cost and net realizable value)</b>	<b>As At 31st March 2016 Rs.</b>	<b>As At 31st March 2015 Rs.</b>
Raw materials and components at Cost	<b>13,39,39,227</b>	7,98,54,821
Work-in-progress at Cost	<b>2,12,47,084</b>	2,63,10,251
Finished goods at Cost	<b>2,10,89,071</b>	1,89,75,617
Stores and spares at Cost (including in transit Rs.9,68,519 (Prev. year Rs.13,51,732)	<b>2,38,40,362</b>	2,38,58,370
Loose tools & Implements	<b>4,12,743</b>	4,56,192
<b>Total</b>	<b>20,05,28,487</b>	14,94,55,251

<b>Note 15 - Cash and Bank balances</b>	Non-current		Current	
	<b>As At 31st March 2016 Rs.</b>	<b>As At 31st March 2015 Rs.</b>	<b>As At 31st March 2016 Rs.</b>	<b>As At 31st March 2015 Rs.</b>
<u>Cash and Cash Equivalents :</u>				
Balances with Banks:				
In current accounts			<b>15,98,182</b>	2,32,69,080
Deposits with original maturity of less than 3 months			<b>41,85,000</b>	-
In unclaimed dividend accounts			<b>6,81,984</b>	6,05,036
Cash on hand			<b>2,22,367</b>	4,09,408
			<b>66,87,533</b>	2,42,83,524
<u>Other Bank Balances :</u>				
Deposits with original maturity for more than 12 months	-	-	-	-
Deposits with original maturity for more than 3 months but less than 12 months	-	-	-	-
Margin money deposit	-	-	<b>13,77,873</b>	12,74,500
	-	-	<b>13,77,873</b>	12,74,500
Amount disclosed under non-current assets (Note: 13.2)	-	-	-	-
<b>Total</b>	-	-	<b>80,65,406</b>	2,55,58,024

<b>Note 16 - Revenue from operations</b>	<b>2015-2016 Rs.</b>	<b>2014-2015 Rs.</b>
<u>Sale of products:</u>		
Finished goods	<b>111,64,84,564</b>	118,09,44,498
Sale of Cotton Waste	<b>2,65,31,821</b>	3,35,68,662
	<b>114,30,16,385</b>	121,45,13,160
<u>Other Operating Revenue</u>		
Packing & Forwarding charges collected	<b>7,91,247</b>	7,44,164
Revenue from operations	<b>114,38,07,632</b>	121,52,57,324

<b>Details of products sold</b>	<b>2015-2016 Rs.</b>	<b>2014-2015 Rs.</b>
<u>Finished goods sold:</u>		
Cotton Yarn	<b>111,64,84,564</b>	118,09,44,498
Cotton Waste	<b>2,65,31,821</b>	3,35,68,662
	<b>114,30,16,385</b>	121,45,13,160

<b>Note 17 - Other Income</b>	<b>2015-2016 Rs.</b>	<b>2014-2015 Rs.</b>
<u>Interest income on:</u>		
Bank deposits	<b>6,49,560</b>	5,60,551
Others	<b>16,53,645</b>	16,10,071
Dividend received	<b>24,15,520</b>	15,09,700
Gain in Foreign Exchange	-	27,259
Other non-operating income #	<b>9,00,610</b>	9,06,377
	<b>56,19,335</b>	46,13,958

**Note :**

<b># Other non-operating income includes</b>	<b>2015-2016 Rs.</b>	<b>2014-2015 Rs.</b>
Agricultural income	-	-
Interest collected on delay payments	-	9,107
Miscellaneous Receipts	<b>3,26,405</b>	3,36,258
Rent received	<b>4,42,189</b>	4,59,526
Net gain on sale of assets	<b>1,32,016</b>	1,01,486
Total	<b>9,00,610</b>	9,06,377

<b>Note 18 - Cost of raw material consumed</b>	<b>2015-2016 Rs.</b>	<b>2014-2015 Rs.</b>	
Inventory at the beginning of the year	<b>7,98,54,821</b>	18,05,24,349	
Add: Purchases	<b>57,41,20,411</b>	48,36,91,926	
	<b>65,39,75,232</b>	66,42,16,275	
Less: Inventory at the end of the year	<b>13,39,39,227</b>	7,98,54,821	
Cost of raw material consumed	<b>52,00,36,005</b>	58,43,61,454	
<b>Details of raw material consumed</b>	<b>2015-2016 Rs.</b>	<b>2014-2015 Rs.</b>	
i) Cotton	<b>52,00,36,005</b>	58,43,61,454	
Total	<b>52,00,36,005</b>	58,43,61,454	
<b>Details of Inventory</b>	<b>2015-2016 Rs.</b>	<b>2014-2015 Rs.</b>	
<u>Raw materials:</u>			
i) Cotton	<b>13,39,39,227</b>	7,98,54,821	
Total	<b>13,39,39,227</b>	7,98,54,821	
<b>Note 19 - (Increase) / Decrease in inventories</b>	<b>2015-2016 Rs.</b>	<b>2014-2015 Rs.</b>	<b>(Increase) / Decrease Rs.</b>
Inventories at the end of the year			2015-2016
Work in progress	<b>2,12,47,084</b>	2,63,10,251	50,63,167
Finished goods	<b>2,07,42,539</b>	1,84,73,827	(22,68,712)
Cotton waste	<b>3,46,532</b>	5,01,790	1,55,258
	<b>4,23,36,155</b>	4,52,85,868	29,49,713
Inventories at the beginning of the year			2014-2015
Work in progress	<b>2,63,10,251</b>	3,29,91,969	66,81,718
Finished goods	<b>1,84,73,827</b>	2,67,43,689	82,69,862
Cotton waste	<b>5,01,790</b>	7,64,831	2,63,041
	<b>4,52,85,868</b>	6,05,00,489	1,52,14,621
<b>Details of Inventory</b>	<b>2015-2016 Rs.</b>	<b>2014-2015 Rs.</b>	
<u>Work-in-progress</u>			
Cotton -in-process	<b>2,12,47,084</b>	2,63,10,251	
	<b>2,12,47,084</b>	2,63,10,251	
<u>Finished goods</u>			
Cotton waste	<b>3,46,532</b>	5,01,790	
Yarn at factory	<b>2,07,42,539</b>	1,84,73,827	
	<b>2,10,89,071</b>	1,89,75,617	

<b>Note 20 - Employee benefit expense</b>	<b>2015-2016 Rs.</b>	<b>2014-2015 Rs.</b>
Salaries, wages and bonus	<b>12,57,98,441</b>	11,65,84,984
Contribution to provident and other fund	<b>1,62,71,831</b>	1,59,59,144
Gratuity expense	<b>37,17,678</b>	51,81,168
Staff welfare expenses	<b>47,06,793</b>	43,00,344
	<b>15,04,94,743</b>	14,20,25,640
<b>Note 21 - Other expenses</b>	<b>2015-2016 Rs.</b>	<b>2014-2015 Rs.</b>
Consumption of stores and spares	<b>1,55,98,946</b>	1,55,20,069
Processing Charges	<b>1,64,88,375</b>	1,69,00,110
Power and fuel	<b>21,42,76,347</b>	20,03,72,951
Freight and forwarding charges	<b>86,50,451</b>	79,92,850
Rent	<b>14,90,157</b>	21,83,217
Rates and taxes	<b>16,34,297</b>	15,51,797
Insurance	<b>13,68,357</b>	12,68,613
Repairs and maintenance		
Plant and machinery	<b>4,60,09,284</b>	4,67,87,935
Buildings	<b>27,56,343</b>	87,51,410
Others	<b>21,93,009</b>	20,50,981
Expenditure on CSR	-	7,80,162
Sales commission	<b>99,71,521</b>	1,11,03,541
Travelling and conveyance	<b>45,53,816</b>	26,55,149
Communication costs	<b>1,91,786</b>	1,94,867
Hank Yarn Obligation charges	<b>5,59,892</b>	4,54,653
Directors' sitting fee	<b>1,04,000</b>	1,14,000
Payment to auditors (Refer details below)	<b>3,12,956</b>	3,55,556
Tools written off	<b>45,864</b>	52,282
Bank Charges	<b>2,89,318</b>	12,23,449
Miscellaneous expenses	<b>1,04,09,378</b>	1,02,91,984
	<b>33,69,04,097</b>	33,06,05,576
<b>Payment to Auditors</b>	<b>2015-2016 Rs.</b>	<b>2014-2015 Rs.</b>
<u>As Auditor:</u>		
Audit fee	<b>1,43,125</b>	1,14,000
Tax audit fee	<b>54,150</b>	64,607
Other services (certification fees)	<b>25,486</b>	84,270
Reimbursement of expenses	<b>21,495</b>	35,679
Cost Auditors Fee	<b>68,700</b>	57,000
<b>Total</b>	<b>3,12,956</b>	3,55,556

<b>Note 22 - Depreciation and amortization expense</b>	<b>2015-2016 Rs.</b>	2014-2015 Rs.
Depreciation of tangible assets	<b>4,45,54,233</b>	4,55,64,837
	<b>4,45,54,233</b>	4,55,64,837

  

<b>Note 23 - Finance Costs</b>	<b>2015-2016 Rs.</b>	2014-2015 Rs.
Interest	<b>5,37,46,438</b>	6,39,80,410
Other Borrowing cost	<b>5,14,370</b>	5,44,946
	<b>5,42,60,808</b>	6,45,25,356

  

<b>Note 24</b>	<b>2015-2016 Rs.</b>	2014-2015 Rs.
1. Contingent liabilities not provided for:		
a) Counter guarantees given to bankers for issue of Bank guarantees in favour of Government authorities.	<b>49,95,859</b>	49,95,859
b) Estimated amount of contracts to be executed on Capital accounts.	<b>28,80,000</b>	-
c) Claims against the company not acknowledged as debts;		
- Income tax matters	<b>5,92,781</b>	5,92,781
d) Bills discounted with Banks	<b>NIL</b>	NIL
2. Earnings in Foreign Currency	<b>NIL</b>	NIL
3. Expenditure incurred in Foreign Currency :		
- on account of foreign travel (excluding tickets purchased in Indian currency)	<b>25,18,429</b>	15,50,960
- CIF value of Imports made during the year :-		
- Raw materials	-	1,15,04,428
- Components and spare parts	<b>33,05,124</b>	39,17,358
- Capital Goods	-	1,94,35,339

  

4. Sales :	2015-16		2014-15	
	Quantity (Kgs.)	Value Rs.	Quantity (Kgs.)	Value Rs.
Cotton yarn	<b>27,87,861</b>	<b>111,72,75,811</b>	27,17,068	118,16,88,662
Waste	<b>13,05,538</b>	<b>2,65,31,821</b>	12,14,093	3,35,68,662
		<b>114,38,07,632</b>		121,52,57,324

	2015-16		2014-15	
	Quantity (Kgs.)	Value Rs.	Quantity (Kgs.)	Value Rs.
5. Raw Material Consumed Cotton	<b>41,70,752</b>	<b>52,00,36,005</b>	39,79,922	58,43,61,454
6. Opening Stock of Finished goods: Yarn	<b>53,125</b>	<b>1,84,73,827</b>	77,881	2,67,43,689
Waste	<b>29,450</b>	<b>5,01,790</b>	31,105	7,64,831
7. Closing stock of finished goods: Yarn	<b>59,354</b>	<b>2,07,42,539</b>	53,125	1,84,73,827
Waste	<b>41,450</b>	<b>3,46,532</b>	29,450	5,01,790

8. Details of Licenced, installed and actual production :

	2015-2016	2014-2015
a) Capacity registered with the Government: Spindles (Nos.)	<b>86,928</b>	86,928
b) Installed Capacity: Spindles (Nos.)	<b>86,928</b>	86,928
c) Actual Production: Yarn (Kgs.)	<b>27,94,090</b>	26,92,312
Waste (Kgs.)	<b>13,17,538</b>	12,12,438

Note : The licenced and installed capacities are as certified by the Management.

9. Comparison between indigeneous and imported raw materials, components and spare parts during the year :

a) Raw materials :	2015-16		2014-15	
	Value	Percentage	Value	Percentage
Imported	<b>71,55,044</b>	<b>1.38</b>	49,22,000	0.84
Indigenous	<b>51,28,80,960</b>	<b>98.62</b>	57,94,39,454	99.16
	<b>52,00,36,004</b>	<b>100%</b>	58,43,61,454	100%
b) Components and spare parts: (charged to appropriate heads)				
Imported	<b>42,84,209</b>	<b>10.00</b>	48,39,651	11.22
Indigenous	<b>3,85,38,753</b>	<b>90.00</b>	3,82,89,040	88.78
	<b>4,28,22,962</b>	<b>100%</b>	4,31,28,691	100%

10. The balances in the accounts of various parties are subject to confirmation by and reconciliation with the concerned parties.

11. Disclosures on payments and dues to suppliers as defined in Micro, Small and Medium enterprises Development Act, 2006:

- i) Amount remaining unpaid beyond the appointed/agreed date at the end of the year.
- |   |     |
|---|-----|
| a) Principal amount of bills to be paid | Nil |
| b) Interest due thereon                 | Nil |

- ii) a) Payments made to suppliers, during the year, but beyond appointed/agreed date Nil  
Interest thereon in terms of sec.16 of the Act Nil  
b) Interest paid along with such payments during the year Nil  
c) Interest due and payable at the end of the year on such payments during the year Nil  
iii) Amount of interest, for the year, u/s 16 of the Act, including accrued and remaining unpaid at the end of year Nil  
iv) The total amount of interest, u/s 16 of the Act, including that arising in earlier years, accrued and remaining unpaid at the end of the year Nil

Note: For the purpose of the above details of the status of the suppliers under the Act has been determined, to the extent of and based on information furnished by the respective parties and has accordingly, been relied upon by the company and its auditors.

**12. DISCLOSURE REQUIRED BY ACCOUNTING STANDARD-15 (REVISED) - EMPLOYEE BENEFITS**

	2015-16		2014-15	
	GRATUITY	Leave Encashment	GRATUITY	Leave Encashment
<b>a) Reconciliation for present value of obligations</b>				
Present value of obligations as at beginning of year	6,83,22,768	36,36,846	6,52,54,299	28,27,558
Interest Cost	54,65,821	2,64,334	52,20,344	2,23,391
Current Service Cost	32,93,916	5,05,808	31,21,473	4,86,679
Benefits paid	75,63,217	7,54,955	95,45,898	6,90,868
Actuarial (gain)/loss on obligation	12,29,746	1,67,383	42,72,550	7,90,086
Present value of obligations as at end of year	7,07,49,034	38,19,416	6,83,22,768	36,36,846
<b>b) Reconciliation for Fair Value of Plan Assets</b>				
Fair value of plan assets at beginning of year	6,72,53,176		5,67,35,223	
Expected return on plan assets	62,71,805		74,33,199	
Contributions	94,51,597		1,26,30,652	
Benefits paid	(75,63,217)		(95,45,898)	
Actuarial gain on plan assets	--		--	
Fair value of plan assets at the end of year	7,54,13,361		6,72,53,176	
<b>c) Expenses Recognised in statement of Profit &amp; loss a/c</b>				
Current Service cost	32,93,916	5,05,808	31,21,473	4,86,679
Interest Cost	54,65,821	2,64,334	52,20,344	2,23,391
Expected return on plan assets	62,71,805	-	74,33,199	-
Net Actuarial gain recognized in the year	12,29,746	1,67,383	42,72,550	7,90,086
Expenses to be recognised in the profit & loss	37,17,678	9,37,525	51,81,168	15,00,156
<b>d) Net Liability Recognised in the Balance Sheet</b>				
Present value of obligations as at the end of year	7,07,49,034	38,19,416	6,83,22,768	36,36,846
Fair value of plan assets as at the end of the year	7,54,13,361	-	6,72,53,176	-
Funded status	46,64,327	(38,19,416)	(10,69,592)	(36,36,846)
Net Liability Recognized in the Balance Sheet	(46,64,327)	38,19,416	10,69,592	36,36,846
<b>e) Actuarial Assumptions</b>				
Assumptions				
Discount Rate	8.00%	7.80%	8.00%	8.00%
Salary Escalation	7.00%	8.00%	7.00%	8.00%
Mortality rate	LIC 1994-96 Ultimate Mortality Table			

13. As the company is engaged in manufacture of a single line of products, identification of the company's business into segments does not arise, as contemplated in Accounting Standard (AS-17) "Segment reporting" issued by the Institute of Chartered Accountants of India.

**14. Related Party Disclosures.**

A. List of related parties

1	Key Managerial Personnel	Sri M.S.R.V.K. Rangarao
2	Relatives of Key Managerial Personnel	<p>Smt. M.Satyanarayanamma - Mother of Sri M.S.R.V.K.Rangarao</p> <p>Smt. Dukkipati Kamala - Sister of Sri M.S.R.V.K. Rangarao</p> <p>Smt. M.Srivani - Wife of Sri M.S.R.V.K. Rangarao</p> <p>Sri M.Harischandra Prasad - Brother of Sri M.S.R.V.K.Rangarao</p> <p>Master M.Venkatarayudu - Son of Sri MSRVK Rangarao</p> <p>Ms.M.Rukmini - Daughter of Sri MSRVK Rangarao</p> <p>Mr. M Rushyant -Son in law of Sri MSRVK Rangarao</p> <p>Ms.M.Ramya Tara - Daughter of Sri MSRVK Rangarao</p>
3	Enterprises controlled by Key Managerial Personnel and Relatives of Key Managerial Personnel	<p>The Andhra Sugars Ltd., Jocil Ltd., VSM Spinning Mills Pvt. Ltd., Sree Venkataraya Printers and Packers Pvt. Ltd. Sree Venkataraya Threads Private Ltd., Royal Printing Works</p>



B. Transactions with the related parties :

Sl. No.	Nature of transaction	Enterprises Controlled by Key Managerial Personnel and relatives of Key Managerial	Key Managerial Personnel	Relative of Key Managerial Personnel
1.	Purchase of Goods from Sree Venkataraya Printers & Packers Pvt. Ltd.	99,99,194 (1,01,90,749)		
2.	Sale of Goods to The Andhra Sugars Ltd.	3,68,597 (3,71,186)		
3.	Dividends received from The Andhra Sugars Ltd.	24,15,520 (15,09,700)		
4.	Services Rendered by Royal Printing Works	1,69,000 (54,500)		
	Sree Venkataraya Threads Pvt. Ltd.	1,64,08,307 (1,69,00,110)		
5.	Remuneration paid to Sri M.S.R.V.K. Rangarao		22,63,026 (21,95,798)	
6.	Interest paid to Jocil Limited	46,97,788 (24,10,959)		
	Sri M.S.R.V.K. Rangarao		17,252 (1,01,446)	
	Smt. Dukkupati Kamala			- (1,98,728)
	Smt. M.Satyanarayanamma			- (3,20,817)
	Sri Mullapudi Venkatarayudu			- (11,191)
	Ms. M Rukmini			1,16,004 (12,933)
	Ms. M Ramya Tara			1,45,616 (1,19,359)
	Smt M Srivani			- (17,575)
7	Loan Repaid to Jocil Ltd.,	2,00,00,000		
8	Rent paid to Sree Venkataraya Printers & Packers Pvt. Ltd.	5,25,000 (5,25,000)		
	VSM Spinning Mills Pvt. Ltd.	8,19,000 (8,19,000)		

Sl. No.	Nature of transaction	Enterprises Controlled by Key Managerial Personnel and relatives of Key Managerial	Key Managerial Personnel	Relative of Key Managerial Personnel
9	Balances as at 31.3.2016 : Share capital of the Company held by The Andhra Sugars Ltd.	14,00,000 (14,00,000)		
	Sri M.S.R.V.K. Rangarao		4,96,000 (4,96,000)	
	Dr. M. Harischandra Prasad			4,96,000 (4,96,000)
	Smt. Mullapudi Satyanarayanamma			5,56,770 (5,56,570)
	Smt. Mullapudi Srivani			15,000 (15,000)
	Smt. Dukkupati Kamala			- (200)
	Sri Mullapudi Venkata Rayudu			50,000 (40,000)
	Ms. Mullapudi Rukmini			50,000 (40,000)
	Ms. Mullapudi Ramya Tara			50,000 (40,000)
10	Investments held in The Andhra Sugars Ltd.	36,82,298 (36,82,298)		
	The Andhra Farm Chemicals Corp. Ltd.	51,000 (51,000)		
11	Amount due to Jocil Ltd.,	3,00,00,000 (5,00,00,000)		
	Sri M.S.R.V.K. Rangarao		3,34,604 (2,71,481)	
	Smt. Mullapudi Satyanarayanamma			- (12,50,685)
	Ms. M Rukmini			15,16,138 (9,09,634)
	Ms. M Ramya Tara			17,27,602 (11,84,691)

*Sree Akkamamba Textiles Ltd.,*

Sl. No.	Nature of transaction	Enterprises Controlled by Key Managerial Personnel and relatives of Key Managerial	Key Managerial Personnel	Relative of Key Managerial Personnel
12	Dividends paid to			
	The Andhra Sugars Ltd.	2,80,000		
	Sri M.S.R.V.K. Rangarao	(2,80,000)	99,200	
	Dr. M. Harischandra Prasad		(99,200)	99,200
	Smt. Mullapudi Satyanarayanamma			(99,200)
	Smt. Mullapudi Srivani			1,11,314
	Smt. Dukkupati Kamala			(1,11,314)
	Sri Mullapudi Venkata Rayudu			3,000
	Ms. Mullapudi Rukmini			(3,000)
	Ms. Mullapudi Ramya Tara			40
				(40)
				10,000
				(6,000)
				10,000
				-
				10,000
				-

15. Earning Per Share - the numerators and denominators used to calculate Basic and Diluted Earning per Share for the Years:

Particulars		2015-2016 Rs.	2014-2015 Rs.
Profit attributable to the Shareholders	A	2,57,52,776	2,29,16,786
Basic/Weighted Average No of Equity Shares Outstanding during the year	B	17,36,352	17,36,352
Nominal value of Equity Share Rs.		10	10
Basic and Diluted Earning Per Share	A/B	14.83	13.20

16. Corporate Social Responsibility(CSR)

As per section 135 of Companies Act, 2013 the CSR committee has been formed by the company. The areas of CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, health and care, destitute care and rehabilitation and rural development projects

	Rs.
Gross amount required to be spent by the Company during the year	10,97,717
Less: Amount spent by the company during the year towards CSR	-
Balance amount to be spent	10,97,717

17. Previous year figures have been regrouped wherever necessary and figures have been rounded off to the nearest rupee.

18. Previous year figures have been shown in brackets.

The accompanying notes are an integral part of the financial statements.

As per our report of even date  
for BRAHMAYYA & CO.  
Chartered Accountants  
Firm Regn.No.000513S  
T.V.Ramana, Partner  
Membership No. : 200523  
Place : Venkatarayapuram, Tanuku  
Date : 25th May, 2016

For and on behalf of the Board of Directors  
P.Narendranath Chowdary, Chairman  
M.S.R.V.K.Rangarao, Managing Director  
N.Satyanarayana, General Manager (Fin & Admn.)

**PROXY FORM**

**SREE AKKAMAMBA TEXTILES LIMITED**

Registered Office :  
 Venkatarayapuram, Tanuku - 534 215.W.G.Dt., (A.P.)  
 CIN : U51909 AP1954 PLC 000525  
 Email: akkamamba@gmail.com, Website: www.akkamamba.com  
 Phone: 08819-224945 / 224946

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 62nd Annual General Meeting of the Company to be held on Tuesday, 26th July, 2016 at 10.00 A.M at the Regd. Office, Venkatarayapuram, Tanuku and any adjournment thereof in respect of such Resolutions as are indicated below:

Resolution No.	Resolutions	Optional	
		for	against
	<b>Ordinary Business</b>		
1.	Adoption of Financial Statements for the year ended 31st March, 2016		
2.	Approval of Dividend for 2015-16		
3.	Re-appointment of Sri P.Narendranath Chowdary as Director who retires by rotation.		
4.	Ratification of Appointment of M/s. Brahmayya & Co., Chartered Accountants as Auditors and fixing their remuneration.		
	<b>Special Business</b>		
5.	Acceptance of Fixed Deposits		
6.	Re-appointment of Sri M.S.R.V.K.Rangarao as Managing Director.		
7.	Ratification of remuneration of Cost Auditors		

Signed this ..... day of .....2016.

Signature of shareholder:.....

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

**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.
- For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 62<sup>nd</sup> Annual General Meeting.
- It is optional to put a 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the For or Against column blank against any or all Resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.
- Please complete all details including details of member(s) in above box before submission.