



**SREE**  
**AKKAMAMBA**  
**TEXTILES LIMITED**  
**TANUKU**  
**63rd ANNUAL REPORT**  
**2016 - 2017**

## **SREE AKKAMAMBA TEXTILES LIMITED**

Venkatarayapuram, Tanuku.

### **Board of Directors**

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

Chairman  
Managing Director

### **C.F.O.**

Sri N. Satyanarayana

General Manager (Finance & Admn.)

### **Bankers :**

Andhra Bank  
State Bank of India

### **Auditors :**

M/s. Brahmaya & 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 63rd Annual General Meeting of the Company will be held on 26th July, 2017 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, 2017 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 M.Narendranath, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint M/s. Brahmayya & Co., Vijayawada (Reg.No.000513S) as statutory auditors of the Company to hold office from the conclusion of this meeting till the conclusion of 69th Annual General Meeting.

### **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. 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.70,000/- (Rupees Seventy thousand only) 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 20th May, 2017 for conducting the Cost Audit for the year 2017-18 in respect of the products viz., Cotton and Blended Yarns".

(BY ORDER OF THE BOARD)

Registered Office:  
Venkatarayapuram,  
TANUKU - 534 215,  
20th May, 2017

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, 2017 to 26th July, 2017 (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, 2017.
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 2008-09 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 2009-10 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 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, 2018 and remuneration of Rs.70,000/- 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 2017-18 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,  
20th May, 2017

for SREE AKKAMAMBA TEXTILES LTD.

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

## **Directors' Report :**

Your Directors have pleasure in presenting the 63<sup>rd</sup> Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 2017.

### **FINANCIAL RESULTS:**

	<b>This Year Rs.</b>	Previous year Rs.
Profit for the year	<b>1,16,66,244</b>	4,02,27,368
Add: Balance brought forward from prev. year	<b>6,30,66,743</b>	7,14,93,631
	<b>7,47,32,987</b>	11,17,20,999
Less: Provision for taxation :		
- Current	<b>24,26,494</b>	1,44,06,960
- Deferred	<b>43,89,509</b>	10,81,164
Add: Excess provision for earlier year	-	10,13,533
Add: MAT credit entitlement	<b>23,78,613</b>	-
Total available for appropriation	<b>7,02,95,597</b>	9,72,46,408
Less: Transfer to General Reserve		3,00,00,000
Proposed Dividend		34,72,704
Tax on proposed Dividend		7,06,961
Tax on Dividend of earlier year	<b>12,624</b>	-
Balance carried forward	<b>7,02,82,973</b>	6,30,66,743
	<b>7,02,95,597</b>	9,72,46,408

### **Dividend:**

Your Directors recommend a Dividend of 10% for the year ended 31st March, 2017.

### **Performance:**

During the year under review, your company achieved a turnover of Rs.110.95 Crores as compared to Rs.114.38 Crores in the previous year showing a decline of about 3% over the previous year owing to low price realization for the Yarn. On the other hand, the cotton prices were high during the year under review resulting in a lower profit of Rs.1.17 Crores (before tax) as against the profit of Rs.4.02 Crores achieved in the previous year.

### **Capital investment:**

During the year under review, the company has procured 13 nos. of Compact conversion kits, 8 nos. of CDS conversion etc., in the month of March, 2017 and the same are under installation.

**Outlook for the Current Year:**

The sluggish market conditions for Cotton Yarn may prevail in the current year also as the export market is badly affected due to strengthening of Rupee currency in the recent months. However, if the cotton prices soften in the ensuing crop season, your company may achieve optimum results in the second half of the current financial year.

**Fixed Deposits:**

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

i)	Deposits accepted/renewed during the year:	Rs.5,49,97,000/-
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 -

- a. In the preparation of annual accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- b. The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- c. The 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;
- d. 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, 2017 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 25-05-2016, 26-07-2016, 25-10-2016 and 04-02-2017.

**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, 2017) and the date of the Report (20th May, 2017).

**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 2016-17 spent an amount of Rs.16.10 lakhs as per the details given in 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 M. Narendranath 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:**



**Sree Akkamamba Textiles Ltd.,**

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:**

M/s.Brahmayya & Co., Chartered Accountants, Vijayawada, retire at the conclusion of this Annual General Meeting and are eligible for re-appointment until the conclusion of 69th AGM..

In terms of Section 139 (1) of the Companies Act, 2013, the said appointment shall be subject to ratification by members at every annual general meeting.

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 2017-18. .

**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: 20 May, 2017

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.1.53 crores.
- Replaced 350 nos. of 40W tube lights with LED tube lights of 18W in various departments for lighting purpose and saved about 55% power.
- Replaced Reciprocating Air Compressor with VFD screw compressor and achieved a power saving of around 8%.
- VFDs arranged for water pump in Humidification Plant to get a power saving of 5%

**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.6,82,38,292/- (previous year Rs. 58,23,553/-) 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 31/03/2017**

**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	963120	963120	55.47%	0	967120	967120	55.70%	0.23%
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	972000	972000	55.98%	0	976000	976000	56.21%	0.23%
<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	427312	427312	24.61%	0	423312	423312	24.38%	-0.23%
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	764352	764352	44.02%	0	760352	760352	43.79%	-0.23%
Total Public Shareholding (B)=(B)(1)+ (B)(2)	0	764352	764352	44.02%	0	760352	760352	43.79%	-0.23%
<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>

**Sree Akkamamba Textiles Ltd.,**

**ii. Shareholding of Promoters**

S.No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No.of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No.of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	B. BULLIRAMAIAH	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	55677	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	0.68%	0.00%	12000	0.68%	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	M. SRIVANI	1500	0.09%	0.00%	2500	0.14%	0.00%	0.06%
31	E. RAMALAKSHMI	2858	0.16%	0.00%	2858	0.16%	0.00%	0.00%
32	N. ANANTALAKSHMI DEVI	2857	0.16%	0.00%	2857	0.16%	0.00%	0.00%
33	S.B.RADHIKA	2857	0.16%	0.00%	2857	0.16%	0.00%	0.00%
34	M.KAMALADEVI	2857	0.16%	0.00%	2857	0.16%	0.00%	0.00%
35	P. VENKATA RAYUDU	4000	0.23%	0.00%	4000	0.23%	0.00%	0.00%
36	P. RAVI	4000	0.23%	0.00%	4000	0.23%	0.00%	0.00%
37	M. VENKATARAYUDU	6000	0.35%	0.00%	7000	0.40%	0.00%	0.06%
38	M. THIMMARAJA (IND)	32000	1.84%	0.00%	32000	1.84%	0.00%	0.00%
39	M. NARENDRANATH (IND)	139800	8.05%	0.00%	139800	8.05%	0.00%	0.00%
40	M. MRUTYUMJAYA PRASAD	107800	6.21%	0.00%	107800	6.21%	0.00%	0.00%
41	P. SUJATHA	952	0.05%	0.00%	952	0.05%	0.00%	0.00%
42	T. RAJKUMAR	952	0.05%	0.00%	952	0.05%	0.00%	0.00%
43	M.ASHA RANI	953	0.05%	0.00%	953	0.05%	0.00%	0.00%
44	M. RENUKA	5200	0.30%	0.00%	5200	0.30%	0.00%	0.00%
45	M. NARAYANAMMA	5200	0.30%	0.00%	5200	0.30%	0.00%	0.00%
46	M. RUKMINI	6000	0.35%	0.00%	7000	0.40%	0.00%	0.06%
47	M. RAMYATARA	6000	0.35%	0.00%	7000	0.40%	0.00%	0.06%
	<b>TOTAL</b>	<b>972000</b>	<b>55.98%</b>	<b>0.00%</b>	<b>976000</b>	<b>56.21%</b>	<b>0.00%</b>	<b>0.23%</b>

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

SI. 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	6000	0.35%	6000	0.35%
Changes During the Year				
<b>Increase</b>				
<b>Date</b>	<b>Reason for Increase</b>			
30-06-2016	Transfer		1000	0.06%
0	Other			
<b>Decrease</b>				
<b>Date</b>	<b>Reason for Decrease</b>			
0	Transfer			
0	Other			
At the End of the year	6000	0.35%	7000	0.40%

SI. 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	6000	0.35%	6000	0.35%
Changes During the Year				
<b>Increase</b>				
<b>Date</b>	<b>Reason for Increase</b>			
30-06-2016	Transfer		1000	0.06%
	Other			
<b>Decrease</b>				
<b>Date</b>	<b>Reason for Decrease</b>			
0	Transfer			
0	Other			
At the End of the year	6000	0.35%	7000	0.40%

**Sree Akkamamba Textiles Ltd.,**

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	6000	0%	6000	0%
Changes During the Year				
<b>Increase</b>				
<b>Date</b>	<b>Reason for Increase</b>			
30-06-2016	Transfer		1000	0.06%
	Other			
<b>Decrease</b>				
<b>Date</b>	<b>Reason for Decrease</b>			
0	Transfer			
0	Other			
At the End of the year	6000	0%	7000	0.40%

Sl. No. 4 - Mullapudi Srivani	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	1500	0.09%	1500	0.09%
Changes During the Year				
<b>Increase</b>				
<b>Date</b>	<b>Reason for Increase</b>			
30-06-2016	Transfer		1000	0.06%
	Other			
<b>Decrease</b>				
<b>Date</b>	<b>Reason for Decrease</b>			
	Transfer			
	Other			
At the End of the year	1500	0.09%	2500	0.14%

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		Cumulative Shareholding	
	No. of	% of total	No. of shares	% of total
1) BOLLA SETHA SAI				
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%
2) VASIREDDY BHARATH				
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%
3) VADLAPATLA KANAKADURGA DEVI				
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%
4) V V N M RAMAKRISHNA KARTHIK				
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%
5) PAMULAPATI SAKUNTALA DEVI				
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%
6) YARLAGADDA UMA DEVI				
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%
7) B V V S RAMESH KUMAR				
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%
8) B V V S RAMESH KUMAR				
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%
9) VEMANA INDIRA				
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%
10) JAGARLAMUDI MOHINI DEVI				
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

Indebtedness at the beginning of the financial	Secured Loans	Unsecured Loans	Deposits	Total Indebtness
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
Change in Indebtedness during the financial year	Secured Loans excluding	Unsecured Loans	Deposits	Total Indebtness
* Addition	50396921	0	54997000	105393921
* Reduction	40300123	20154440	36397000	96851563
<b>Net Change</b>	10096798	-20154440	18600000	8542358
Indebtedness at the end of the financial year	Secured Loans excluding	Unsecured Loans	Deposits	Total Indebtness
i) Principal Amount	295452461	10180164	95473000	401105625
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	7910562	7910562
<b>Total (i+ii+iii)</b>	295452461	10180164	103383562	409016187

**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	2353513		2353513
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2276249		2276249
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	77264		77264
	(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 (A)	2353513		2353513
	Ceiling as per the Act(excluding commission)	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	30000	40000	30000	100000
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	30000	40000	30000	100000
2	<b>Other Non-Executive Directors</b>				
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	30000	40000	30000	100000
	Total Managerial Remuneration	-	-	-	2453513
	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 Rental payment	01.04.2016 to 31.03.2017	100.62 5.25	30-01-2016	Nil
M/s. Sree Venkataraya Threads Pvt. Ltd.	Processing Charges (Reeling & Doubling)	01.04.2016 to 31.03.2017	160.59	30-01-2016	Nil
M/s.Royal Printing Works	Printing & supply of stationery	01.04.2016 to 31.03.2017	1.41	30-01-2016	Nil
M/s VSM Spg. Mills Pvt. Ltd.	Payment of Rent	01.04.2016 to 31.03.2017	8.19	30-01-2016	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.5,60,47,959/-

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

The company during the financial year 2016-17 is required to spend Rs.11,20,959/- towards CSR.

Details of CSR spent during the financial year;

(a) Total amount to be spent including earlier year: Rs. 22,18,676/-

(b) Amount spent during the year Rs. 16,09,949/-

(c) Balance unspent amount; Rs. 6,08,727/-

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

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) verheads	Cumulative expenditure up to the reporting period	Amount spent Direct or through implementing agency
1	Medical Services	Promoting Health care	Contribution to medical services by SMVM Hospital, Venkatarayapuram, Tanuku..	Rs.1100000/-	Rs.1100000/-	Rs.1100000/-	Implementing agency
2	LED street lights provided to Tanuku	Local area development	Donation of 303 20W LED street lights to Tanuku Municipality, Tanuku, Municipality. W.G.Dt., A.P	Rs.509949/-	Rs.509949/-	Rs.1609949/-	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 balance amount during the current financial year.

Tanuku  
20th May, 2017

(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, 2017, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

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 of the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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 there under.

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

An audit involves performing procedures to obtain audit evidence about the amounts and 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, 2017, 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, 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, to the extent applicable.
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, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of Section 164(2) of the Act.
  - 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 :



**Sree Akkamamba Textiles Ltd.,**

- 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;
- 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 2017.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv. The company had provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the company- Refer Note No. 17 to the financial statements.

Place : TANUKU,  
Date : 20.05.2017.

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 2017. 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 The title deeds of immovable property are held in the name of the company.
- 2.1 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.
- 2.2 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.
- 3.1 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. The company has not granted any loans, investments, guarantees and security as per the Section 185 and 186 of the Companies Act 2013. Therefore the provisions of clause 3(iv) of the said order are not applicable to the company.
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 from the public. 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. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

- 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, 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 2017 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/debt instruments 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, the managerial remuneration has been paid 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 chit fund or a nidhi/mutual benefit fund/society and hence, the requirements of clause 3(xii) of the Companies (Auditors Report) Order 2016 are not applicable to the company during the year under report.
13. According to the information and explanations given to us, all the transactions with the related parties are in compliance with section 188 and 177 of the Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc as required by the accounting standards.
14. According to the records of the company examined by us, and the information and explanations given to us, there are no preferential allotment / private placement of shares or fully or partly convertible debentures during the year as per the Section 42 of the Companies Act 2013.

15. According to the information and explanations given to us, the company has not entered into any non-cash transactions with the directors or persons connected with him as per Section 192 of the Companies Act 2013.
16. According to the information and explanations given to us, the Company is not required to be registered under the section 45-IA of the Reserve Bank of India Act, 1934.

Place : TANUKU,  
Date : 20.05.2017.

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 March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended as 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, 2017, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

Place : TANUKU,  
Date : 20.05.2017.

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

## Balance Sheet As at 31st March, 2017

Equity and Liabilities	Notes	As at 31st March 2017 Rs.	As at 31st March 2016 Rs.
<b>Shareholders' Funds</b>			
Share Capital	2	1,73,63,520	1,73,63,520
Reserves and Surplus	3	37,02,82,973	36,30,66,742
		<b>38,76,46,493</b>	38,04,30,262
<b>Non-Current Liabilities</b>			
Long-term Borrowings	4	11,35,16,921	9,23,10,000
Other Long-term liabilities	5	1,90,09,427	2,98,44,192
Deferred Tax Liability (Net)	6	12,97,02,121	12,53,12,613
Long-term Provisions	7	14,50,657	14,09,839
		<b>26,36,79,126</b>	24,88,76,644
<b>Current Liabilities</b>			
Short-term Borrowings	8	23,75,88,704	26,02,53,267
Trade Payables	9.1	9,52,27,236	10,28,07,675
Other Current Liabilities	9.2	10,70,94,026	10,58,93,551
Short term Provisions	7	46,55,351	2,09,96,204
		<b>44,45,65,317</b>	48,99,50,697
<b>TOTAL</b>		<b>109,58,90,936</b>	111,92,57,603
<b>Assets</b>			
<b>Non current Assets</b>			
<b>Fixed Assets</b>			
Tangible Assets (Net Block)	10	64,94,29,106	68,83,07,078
Capital Work in Progress		6,02,97,099	-
Non-current Investments	11	3,88,22,298	3,88,22,298
Deferred Tax Assets (net)			
Long term Loans and Advances	12	6,33,11,798	5,82,39,985
Trade Receivables	13.1	-	-
Other Non Current assets	13.2	-	-
		<b>81,18,60,301</b>	78,53,69,361
<b>Current Assets</b>			
Inventories	14	17,29,61,605	20,05,28,487
Trade Receivables	13.1	8,49,64,506	9,35,65,800
Cash and Bank Balances	15	84,52,858	80,65,406
Short term Loans and Advances	12	1,11,33,144	2,52,72,937
Other Current Assets	13.2	65,18,522	64,55,612
		<b>28,40,30,635</b>	33,38,88,242
<b>TOTAL</b>		<b>109,58,90,936</b>	111,92,57,603
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 : 20th May, 2017

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, 2017**

Particulars	Notes	Current Reporting Period 2016-17 Rs.	Previous Reporting Period 2015-16 Rs.
<b>Income:</b>			
Revenue from operations	16	<b>110,95,13,957</b>	114,38,07,632
Other Income	17	<b>30,24,874</b>	56,19,335
Total Revenue (I)		<b>111,25,38,831</b>	114,94,26,967
<b>Expenses:</b>			
Cost of raw materials and components consumed	18	<b>57,15,86,065</b>	52,00,36,005
[Increase]/Decrease in Inventories of finished goods	19	<b>(79,83,975)</b>	29,49,713
Employee benefits expense	20	<b>14,21,82,952</b>	15,04,94,743
Other expenses	21	<b>30,22,36,619</b>	33,69,04,097
Depreciation and amortization expense	22	<b>4,22,00,912</b>	4,45,54,233
Finance Costs	23	<b>5,06,50,014</b>	5,42,60,808
Total Expenses (II)		<b>110,08,72,587</b>	110,91,99,599
Profit/(Loss) before exceptional items & tax		<b>1,16,66,244</b>	4,02,27,368
Exceptional items		-	-
<b>Profit/(Loss) before tax</b>		<b>1,16,66,244</b>	4,02,27,368
Less : <b>Tax expenses:</b>			
Tax		<b>24,26,494</b>	79,75,841
MAT credit entitlement utilised		-	64,31,120
Current tax		<b>24,26,494</b>	1,44,06,961
Deferred tax		<b>43,89,509</b>	10,81,164
Less: Excess provision for earlier years		-	10,13,533
MAT credit entitlement		<b>23,78,613</b>	-
<b>Total tax expense</b>		<b>44,37,390</b>	1,44,74,592
<b>Profit/(Loss)( after tax) for the year from continuing operations</b>		<b>72,28,854</b>	2,57,52,776
Earning per Equity Share:			
Basic and diluted		<b>4.16</b>	14.83
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 : 20th May, 2017

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 2016 - 17**

	2016-2017 Rs.	2015-2016 Rs.
<b>I. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net Profit before Tax	<b>1,16,66,244</b>	4,02,27,368
Add/Less:		
Adjustments for:		
Depreciation	<b>4,22,00,912</b>	4,45,54,233
Interest paid	<b>4,96,93,761</b>	5,37,46,438
Interest received	<b>(23,93,492)</b>	(23,03,205)
Dividends received	-	(24,15,520)
Profit on sale of assets	-	(1,32,016)
Loss on sale of assets/written off	-	-
Operating Profit before working capital changes	<b>10,11,67,425</b>	13,36,77,298
Adjustments for		
Inventories	<b>2,75,66,882</b>	(5,10,73,236)
Investments	-	-
Long Term Liability	<b>(1,08,34,765)</b>	2,48,001
Long Term Provision	<b>40,818</b>	(14,906)
Trade Payables	<b>(75,80,439)</b>	4,18,99,974
Current Liability	<b>(87,99,525)</b>	89,53,994
Short term Provision	<b>(1,80,720)</b>	(8,72,116)
Trade Receivables	<b>86,01,294</b>	8,56,398
Long term Loans & Advances	<b>(26,93,200)</b>	(38,26,100)
Short term Loans & Advances	<b>42,17,739</b>	(17,71,454)
Current Assets	<b>(62,910)</b>	(50,06,548)
Cash Generated from operations	<b>11,14,42,599</b>	12,30,71,305
Less:Direct Taxes paid/Refund (Net)	<b>44,97,532</b>	63,12,509
Net Cash from operating activities before extra ordinary items	<b>10,69,45,067</b>	11,67,58,796
Net cash from Operating activities (A)	<b>10,69,45,067</b>	11,67,58,796

**Sree Akkamamba Textiles Ltd.,**

	<b>2016-2017 Rs.</b>	<b>2015-2016 Rs.</b>
<b>II. CASH FLOW FROM INVESTMENT ACTIVITIES:</b>		
Purchase of Fixed Assets	<b>(6,36,20,039)</b>	(12,45,419)
Proceeds from sale of assets	-	2,43,660
Interest received	<b>23,93,492</b>	23,03,205
Dividends received	-	24,15,520
<b>Net cash used in Investment activities (B)</b>	<b>(6,12,26,547)</b>	37,16,966
<b>III. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Acceptance/(Repayment) of loans	<b>85,42,358</b>	(8,00,54,901)
Dividends paid	<b>(34,72,704)</b>	(34,72,704)
Dividend Tax paid	<b>(7,06,961)</b>	(6,94,337)
Interest paid	<b>(4,96,93,761)</b>	(5,37,46,438)
<b>Net cash used for Financing activities (C)</b>	<b>(4,53,31,068)</b>	(13,79,68,380)
<b>Net increase in cash and its equivalent (A+B+C)</b>	<b>3,87,452</b>	(1,74,92,618)
Opening cash & bank balances as on 1-4-2016	<b>80,65,406</b>	2,55,58,024
Closing cash & bank balances as on 31-3-2017	<b>84,52,858</b>	80,65,406
	<b>(3,87,452)</b>	1,74,92,618

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 : 20th May, 2017

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 recognized in the period in which the estimate is revised.

#### ii. PROPERTY, PLANT AND EQUIPMENT

Freehold Land is carried at historical cost. All other items of Property Plant and Equipment are stated at cost of acquisition or construction less accumulated depreciation / amortization and impairment, if any. Cost includes purchase price, taxes and duties, labor cost and directly attributable overheads incurred up to the date the asset is ready for its intended use. However, cost excludes Excise Duty, Value Added Tax and Service Tax, to the extent credit of the duty or tax is availed of.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as separate asset is derecognized when replaced. All other repairs and maintenance are charged to Profit or Loss during the reporting period in which they are incurred.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/ (losses).

##### ***Depreciation and Amortization:***

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.

Residual values and useful lives are reviewed and adjusted if appropriate for each reporting period.

Advances paid towards the acquisition of Property, Plant and Equipment outstanding

at each Balance Sheet date is classified as capital advances under other Non-current assets and the cost of assets not put to use before such date are disclosed under capital work-in-progress.

Assets to be disposed off are reported at the lower of carrying value or fair value less cost of sales.

**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 and Stores and Spares, cost is determined using FIFO and weighted average methods respectively except, where the net realizable value of the finished goods in which they are used is less than the cost of finished goods and in such event, if the replacement cost of such materials etc., is less than their book values, they are valued at replacement cost. 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 amortized 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 Profit and Loss Account 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 Profit and Loss Account 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 profit and loss account immediately in each year.

**viii. 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 is accounted at the rates at which the actual payments are affected.
- 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.

**ix. DIVIDEND**

Final dividends on shares are recorded as liability on the date of approval by the shareholders and interim dividend are recorded as liability on the date of declaration by the company Board of Directors.

**x. 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.

**xi. 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.

**xii. 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 2017 Rs.</b>	<b>As At 31st March 2016 Rs.</b>
<u>Authorised Shares :</u>		
2750000(31 March 2016 : 2750000) equity shares of Rs.10/-each	<b>2,75,00,000</b>	2,75,00,000
25000 (31-03-2016: 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 2016 :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 2016 :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.	<b>As At 31st March 2017 (Rs.)</b>		<b>As At 31st March 2016 (Rs.)</b>	
	<b>No.</b>	<b>Rs.</b>	<b>No.</b>	<b>Rs.</b>
<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	<b>As At 31st March 2017 (Rs.)</b>		<b>As At 31st March 2016 (Rs.)</b>	
	<b>No.</b>	<b>% holding in the class</b>	<b>No.</b>	<b>% holding in the class</b>
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%

**Sree Akkamamba Textiles Ltd.,**

<b>Note 3 - Reserves and Surplus</b>	<b>As At 31st March 2017 Rs.</b>	<b>As At 31st March 2016 Rs.</b>
<b>General Reserve</b>		
Balance as per the last Financial Statements	<b>30,00,00,000</b>	27,00,00,000
Add : Transfer from Surplus balance in the Statement of Profit and Loss.	-	3,00,00,000
Closing Balance	<b>30,00,00,000</b>	30,00,00,000
Surplus / (Deficit) in Profit and Loss Statements	<b>6,30,66,743</b>	7,14,93,631
Profit/Loss(-) for the year	<b>72,28,854</b>	2,57,52,776
	<b>7,02,95,597</b>	9,72,46,407
Less : Appropriations		
Proposed Final Dividend	-	34,72,704
Tax on distributed Profits	-	7,06,961
Tax on distributed Profit of earlier year	<b>12,624</b>	-
Transfer to General Reserve	-	3,00,00,000
Total Appropriations	<b>12,624</b>	3,41,79,665
Net Surplus in statement of Profit and Loss	<b>7,02,82,973</b>	6,30,66,742
Total Reserves and Surplus taken to Balance Sheet	<b>37,02,82,973</b>	36,30,66,742

<b>Note 4 - Long Term Borrowings</b>	Non-current portion		Current maturities	
	<b>As At 31st March 2017 Rs.</b>	<b>As At 31st March 2016 Rs.</b>	<b>As At 31st March 2017 Rs.</b>	<b>As At 31st March 2016 Rs.</b>
<b>Term Loans</b>				
Rupee loan from banks (secured)				
i) Term Loan from Andhra Bank	<b>2,00,00,000</b>	4,00,00,000	<b>2,00,00,000</b>	2,00,00,000
ii) Term Loan from Andhra Bank	<b>3,03,96,921</b>	-	<b>2,00,00,000</b>	-
	<b>5,03,96,921</b>	4,00,00,000	<b>4,00,00,000</b>	2,00,00,000
Inter Corporate Loan (Unsecured) From JOCIL Ltd	-	1,00,00,000	<b>1,00,00,000</b>	2,00,00,000
<u>Other Loans and advances:</u>				
Deposits (unsecured)				
Deposit from Directors	<b>13,07,000</b>	13,07,000	-	-
Deposits from share holders	<b>6,18,13,000</b>	4,10,03,000	-	-
Deposits from Public	-	-	-	-
	<b>6,31,20,000</b>	5,23,10,000	<b>1,00,00,000</b>	2,00,00,000
Total Amount	<b>11,35,16,921</b>	9,23,10,000	<b>5,00,00,000</b>	4,00,00,000
The above amount includes				
Secured borrowings	<b>5,03,96,921</b>	4,00,00,000	<b>4,00,00,000</b>	2,00,00,000
Unsecured borrowings	<b>6,31,20,000</b>	5,23,10,000	<b>1,00,00,000</b>	2,00,00,000
Amount disclosed under the head "other current liabilities"(note 9)	-	-	<b>5,00,00,000</b>	4,00,00,000
Net Amount	<b>11,35,16,921</b>	9,23,10,000	<b>0</b>	0

Term Loans from Banks comprise of:

	i Andhra Bank	ii Andhra Bank
a) Loan availed (Rs.)	120000000	100000000
b) No. of instalments	24	20
c) Instalment commencing from	30-06-2013	30-06-2017
d) Rate of Interest	MCLR+1.95%+TP	MCLR+1.95%+TP
e) Instalment amount per quarter (Rs.)	5000000	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 2017 Rs.</b>	<b>As At 31st March 2016 Rs.</b>
Trade payables	-	-
Total	-	-
Others		
Outstanding Liabilities for expenses	<b>1,48,15,315</b>	2,73,26,922
Trade Deposits	<b>1,24,842</b>	1,29,842
Advance from customers	-	-
Interest accrued but not due on deposits	<b>40,69,270</b>	23,87,428
Unearned revenue	-	-
Total	<b>1,90,09,427</b>	2,98,44,192



**Sree Akkamamba Textiles Ltd.,**

<b>Note 6 - Deferred Tax Liability (Net)</b>	<b>As At 31st March 2017 Rs.</b>	<b>As At 31st March 2016 Rs.</b>
<u>Deferred Tax Liability</u>		
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortisation charged for the financial reporting	<b>13,84,12,994</b>	13,91,40,590
Others Gross deferred tax liability	<b>13,84,12,994</b>	13,91,40,590
<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	<b>77,89,193</b>	1,35,92,249
Provision for diminution in the value of investments	-	-
Provision for doubtful debts and advances	<b>2,35,728</b>	2,35,728
Others - Un-absorbed depreciation loss	<b>6,85,952</b>	-
Gross deferred tax asset	<b>87,10,873</b>	1,38,27,977
Net Deferred Tax Liability	<b>12,97,02,121</b>	12,53,12,613

<b>Note 7 - Provisions</b>	Long Term		Short Term	
	<b>As At 31st March 2017 Rs.</b>	<b>As At 31st March 2016 Rs.</b>	<b>As At 31st March 2017 Rs.</b>	<b>As At 31st March 2016 Rs.</b>
<u>Provision for employee benefits:</u>				
Provision for gratuity	-	-	-	-
Provision for leave benefits	<b>14,50,657</b>	14,09,839	<b>22,28,857</b>	24,09,577
	<b>14,50,657</b>	14,09,839	<b>22,28,857</b>	24,09,577
<u>Other Provisions:</u>				
Provision for Income tax	-	-	<b>24,26,494</b>	1,44,06,962
Proposed Dividend	-	-	-	34,72,704
Tax on proposed dividend	-	-	-	7,06,961
	-	-	<b>24,26,494</b>	1,85,86,627
	<b>14,50,657</b>	14,09,839	<b>46,55,351</b>	2,09,96,204

<b>Note 8 - Short Term Borrowings</b>	<b>As At 31st March 2017 Rs.</b>	<b>As At 31st March 2016 Rs.</b>
Cash credit from Banks (Secured)	<b>20,50,55,540</b>	22,53,55,663
Loan repayable on demand (Unsecured)		
- from Directors	<b>1,80,164</b>	3,34,604
Deposits (unsecured)		
- from Directors	-	-
- from Shareholders	<b>3,23,53,000</b>	1,01,96,000
- from Public	-	2,43,67,000
	<b>23,75,88,704</b>	26,02,53,267
<u>The above amount includes</u>		
Secured borrowings	<b>20,50,55,540</b>	22,53,55,663
Unsecured borrowings	<b>3,25,33,164</b>	3,48,97,604

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 2017 Rs.</b>	<b>As At 31st March 2016 Rs.</b>
<b>9.1 - Trade payables</b>		
Due to Micro, Small and Medium Enterprises (See Note No.11)	-	-
Due to Others	<b>9,52,27,236</b>	10,28,07,675
	<b>9,52,27,236</b>	10,28,07,675
<b>9.2 - Other Liabilities:</b>		
Current maturities of long term borrowings	<b>5,00,00,000</b>	4,00,00,000
Interest accrued but not due on borrowings	<b>38,41,292</b>	69,85,804
Advance from customers	<b>18,12,435</b>	11,33,810
Unclaimed dividend	<b>8,16,617</b>	6,81,984
Accrued Salaries and Benefits	<b>1,71,25,586</b>	2,23,27,707
Statutory Dues	<b>4,74,785</b>	14,55,568
Outstanding Liabilities for expenses	<b>1,74,23,881</b>	1,89,35,514
Other payables	<b>1,55,99,430</b>	1,43,73,164
	<b>10,70,94,026</b>	10,58,93,551
	<b>20,23,21,262</b>	20,87,01,226

**Note 10 - Tangible Assets**

Sl. No.	Description	Cost upto 31.03.16	Gross Block			Depreciation				Net Block		
			Cost upto 31.03.17	Additions during the year	Deductions during the year	Cost upto 31.03.17	upto 31.03.16	for the year	on Deductions	upto 31.03.17	W.D.V. As At 31.03.17	W.D.V. As At 31.03.16
1.	Land	22,61,750	-	-	22,61,750	-	-	-	-	-	22,61,750	22,61,750
2.	Buildings	7,71,37,811	-	-	7,71,37,811	3,17,62,522	22,41,307	-	3,40,03,829	4,31,33,982	4,53,75,289	4,53,75,289
3.	Roads	2,36,149	-	-	2,36,149	2,24,342	-	-	2,24,342	11,807	11,807	11,807
4	Plant & Machinery	118,57,33,881	33,22,940	-	118,90,56,821	56,97,20,969	3,37,63,332	-	60,34,84,301	58,55,72,520	61,60,12,912	61,60,12,912
5	Electrical Installations	3,20,10,317	-	-	3,20,10,317	2,07,88,076	32,13,230	-	2,40,01,306	80,09,011	1,12,22,241	1,12,22,241
6	Laboratory Equipment	2,64,45,318	-	-	2,64,45,318	1,53,97,180	25,02,468	-	1,78,99,648	85,45,670	1,10,48,138	1,10,48,138
7	Computers	28,96,388	-	-	28,96,388	27,07,211	25,437	-	27,32,648	1,63,740	1,89,177	1,89,177
8	Furniture & Fittings	20,29,833	-	-	20,29,833	17,40,304	32,508	-	17,72,812	2,57,021	2,89,529	2,89,529
9	Motor Vehicles	37,49,200	-	-	37,49,200	18,52,965	4,22,630	-	22,75,595	14,73,605	18,96,235	18,96,235
	<b>Total</b>	<b>133,25,00,647</b>	<b>33,22,940</b>	<b>-</b>	<b>133,58,23,587</b>	<b>64,41,93,569</b>	<b>4,22,00,912</b>	<b>-</b>	<b>68,63,94,481</b>	<b>64,94,29,106</b>	<b>68,83,07,078</b>	<b>68,83,07,078</b>
	Previous year	133,34,88,114	12,45,419	22,32,886	133,25,00,647	60,17,60,578	4,45,54,233	21,21,242	64,41,93,569	68,83,07,078	73,17,27,537	73,17,27,537

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 2017 Rs.</b>	<b>As At 31st March 2016 Rs.</b>
Trade Investments (valued at cost unless stated otherwise)		
<u>Unquoted equity instruments</u>		
1268000 (31 March 2016:1268000) 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 March2016:301940) 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 2016:5100) 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>9,34,35,333</b>	4,18,33,787
- 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	-	-

**Sree Akkamamba Textiles Ltd.,**

<b>Note 12 - Loans and advances</b>	Non-current		Current	
	<b>As At 31st March 2017 Rs.</b>	<b>As At 31st March 2016 Rs.</b>	<b>As At 31st March 2017 Rs.</b>	<b>As At 31st March 2016 Rs.</b>
<u>Capital Advances</u>				
Secured, considered good	-	-		
Unsecured, considered good	-	3,20,000	<b>24,40,750</b>	-
<b>(A)</b>	-	3,20,000	<b>24,40,750</b>	-
<u>Security Deposit</u>				
Secured, considered good	-	-	-	-
Unsecured, considered good	<b>2,45,89,337</b>	2,15,76,137	-	-
Doubtful	<b>2,45,89,337</b>	2,15,76,137	-	-
Provision for doubtful security deposit		-		
<b>(B)</b>	<b>2,45,89,337</b>	2,15,76,137	-	-
<u>Loans and advances to related parties</u>				
Unsecured, considered good				
<b>(C)</b>	-	-	-	-
<u>Advances recoverable in cash or kind</u>				
Secured, considered good				
Unsecured, considered good			<b>50,10,295</b>	69,50,090
Doubtful			<b>50,10,295</b>	69,50,090
Provision for doubtful advances				-
<b>(D)</b>	-	-	<b>50,10,295</b>	69,50,090
<u>Other Loans and Advances</u>				
Foreign Currency	-	-	-	-
MAT Credit	<b>3,87,22,461</b>	3,63,43,848	-	-
Advances to Trade Payables	-	-	<b>1,21,500</b>	-
Advance Income-tax / TDS	-	-	<b>18,62,122</b>	1,17,84,176
Interest subsidy receivable (TUFs)	-	-	<b>4,73,151</b>	42,56,937
Prepaid expenses	-	-	<b>6,08,970</b>	16,65,378
Loans and Advance to employees	-	-	-	-
Balances with Statutory / government authorities	-	-	<b>6,16,356</b>	6,16,356
<b>(E)</b>	<b>3,87,22,461</b>	3,63,43,848	<b>36,82,099</b>	1,83,22,847
<b>Total [A+B+C+D+E]</b>	<b>6,33,11,798</b>	5,82,39,985	<b>1,11,33,144</b>	2,52,72,937

Note 13.1 - Trade receivables	Non-current		Current	
	As At 31st March 2017 Rs.	As At 31st March 2016 Rs.	As At 31st March 2017 Rs.	As At 31st March 2016 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	-	-	21,375	21,375
Doubtful			7,12,967	7,12,967
	-	-	7,34,342	7,34,342
Provision for doubtful receivables			7,12,967	7,12,967
<b>(A)</b>	-	-	21,375	21,375
<u>Other receivables</u>				
Secured, considered good			-	-
Unsecured, considered good			8,49,43,131	9,35,44,425
Doubtful			-	-
	-	-	8,49,43,131	9,35,44,425
Provision for doubtful receivables				-
<b>(B)</b>	-	-	8,49,43,131	9,35,44,425
<b>Total [A+B]</b>	-	-	8,49,64,506	9,35,65,800

  

Note 13.2 - Other assets	Non-current		Current	
	As At 31st March 2017 Rs.	As At 31st March 2016 Rs.	As At 31st March 2017 Rs.	As At 31st March 2016 Rs.
<u>Unsecured, considered good unless stated otherwise</u>				
Non-current bank balances	-	-		
<b>[A]</b>	-	-	-	-
<u>Others</u>				
Gratuity Fund			48,94,382	46,64,327
Interest accrued			16,24,140	17,91,285
<b>[B]</b>	-	-	65,18,522	64,55,612
<b>Total [A+B]</b>	-	-	65,18,522	64,55,612

**Sree Akkamamba Textiles Ltd.,**

<b>Note 14 - Inventories (valued at lower of cost and net realizable value)</b>	<b>As At 31st March 2017 Rs.</b>	<b>As At 31st March 2016 Rs.</b>
Raw materials and components at Cost	<b>9,76,13,354</b>	13,39,39,227
Work-in-progress at Cost	<b>3,00,58,278</b>	2,12,47,084
Finished goods at Cost	<b>2,02,61,852</b>	2,10,89,071
Stores and spares at Cost (including in transit Rs.3,05,920/- (Prev.year Rs.9,68,519)	<b>2,46,56,651</b>	2,38,40,362
Loose tools & Implements	<b>3,71,470</b>	4,12,743
<b>Total</b>	<b>17,29,61,605</b>	20,05,28,487

<b>Note 15 - Cash and Bank balances</b>	<b>Non-current</b>		<b>Current</b>	
	<b>As At 31st March 2017 Rs.</b>	<b>As At 31st March 2016 Rs.</b>	<b>As At 31st March 2017 Rs.</b>	<b>As At 31st March 2016 Rs.</b>
<u>Cash and Cash Equivalents :</u>				
Balances with Banks:				
In current accounts			<b>24,52,032</b>	15,98,182
Deposits with original maturity of less than 3 months			-	41,85,000
In unclaimed dividend accounts			<b>8,16,617</b>	6,81,984
Cash on hand			<b>1,98,709</b>	2,22,367
			<b>34,67,358</b>	66,87,533
<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>49,85,500</b>	13,77,873
	-	-	<b>49,85,500</b>	13,77,873
Amount disclosed under non-current assets(Note: 13.2)	-	-	-	-
<b>Total</b>	-	-	<b>84,52,858</b>	80,65,406

<b>Note 16 - Revenue from operations</b>	<b>2016-2017 Rs.</b>	<b>2015-2016 Rs.</b>
<u>Sale of products:</u>		
Finished goods	<b>106,85,48,440</b>	111,64,84,564
Sale of Cotton Waste	<b>4,01,06,105</b>	2,65,31,821
	<b>110,86,54,545</b>	114,30,16,385
<u>Other Operating Revenue</u>		
Packing & Forwarding charges collected	<b>8,59,412</b>	7,91,247
Revenue from operations	<b>110,95,13,957</b>	114,38,07,632

<b>Details of products sold</b>	<b>2016-2017 Rs.</b>	<b>2015-2016 Rs.</b>
<u>Finished goods sold:</u>		
Cotton Yarn	<b>106,85,48,440</b>	111,64,84,564
Cotton Waste	<b>4,01,06,105</b>	2,65,31,821
	<b>110,86,54,545</b>	114,30,16,385

<b>Note 17 - Other Income</b>	<b>2016-2017 Rs.</b>	<b>2015-2016 Rs.</b>
<u>Interest income on:</u>		
Bank deposits	<b>7,55,790</b>	6,49,560
Others	<b>16,37,702</b>	16,53,645
Dividend received	-	24,15,520
Other non-operating income #	<b>6,31,382</b>	9,00,610
	<b>30,24,874</b>	56,19,335

**Note :**

<b># Other non-operating income includes</b>	<b>2016-2017 Rs.</b>	<b>2015-2016 Rs.</b>
Agricultural income	-	-
Miscellaneous Receipts	<b>2,31,771</b>	3,26,405
Rent received	<b>3,99,611</b>	4,42,189
Net gain on sale of assets	-	1,32,016
<b>Total</b>	<b>6,31,382</b>	9,00,610



**Sree Akkamamba Textiles Ltd.,**

<b>Note 18 - Cost of raw material consumed</b>	<b>2016-2017 Rs.</b>	<b>2015-2016 Rs.</b>
Inventory at the beginning of the year	<b>13,39,39,227</b>	7,98,54,821
Add:Purchases	<b>53,52,60,192</b>	57,41,20,411
	<b>66,91,99,419</b>	65,39,75,232
Less: Inventory at the end of the year	<b>9,76,13,354</b>	13,39,39,227
Cost of raw material consumed	<b>57,15,86,065</b>	52,00,36,005

<b>Details of raw material consumed</b>	<b>2016-2017 Rs.</b>	<b>2015-2016 Rs.</b>
i) Cotton	<b>57,15,86,065</b>	52,00,36,005
Total	<b>57,15,86,065</b>	52,00,36,005

<b>Details of Inventory</b>	<b>2016-2017 Rs.</b>	<b>2015-2016 Rs.</b>
<u>Raw materials:</u>		
i) Cotton	<b>9,76,13,354</b>	13,39,39,227
Total	<b>9,76,13,354</b>	13,39,39,227

<b>Note 19 - (Increase) / Decrease in inventories</b>	<b>2016-2017 Rs.</b>	<b>2015-2016 Rs.</b>	<b>(Increase) / Decrease Rs.</b>
Inventories at the end of the year			2016-17
Work in progress	<b>3,00,58,278</b>	2,12,47,084	(88,11,194)
Finished goods	<b>1,90,65,374</b>	2,07,42,539	16,77,165
Cotton waste	<b>11,96,478</b>	3,46,532	(8,49,946)
	<b>5,03,20,130</b>	4,23,36,155	(79,83,975)
Inventories at the beginning of the year			2015-16
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

<b>Details of Inventory</b>	<b>2016-2017 Rs.</b>	<b>2015-2016 Rs.</b>
<u>Work-in-progress</u>		
Cotton -in-process	<b>3,00,58,278</b>	2,12,47,084
	<b>3,00,58,278</b>	2,12,47,084
<u>Finished goods</u>		
Cotton waste	<b>11,96,478</b>	3,46,532
Yarn at factory	<b>1,90,65,374</b>	2,07,42,539
	<b>2,02,61,852</b>	2,10,89,071

<b>Note 20 - Employee benefit expense</b>	<b>2016-2017 Rs.</b>	<b>2015-2016 Rs.</b>
Salaries, wages and bonus	<b>11,81,43,723</b>	12,57,98,441
Contribution to provident and other fund	<b>1,61,00,783</b>	1,62,71,831
Gratuity expense	<b>30,95,246</b>	37,17,678
Staff welfare expenses	<b>48,43,200</b>	47,06,793
	<b>14,21,82,952</b>	15,04,94,743

<b>Note 21 - Other expenses</b>	<b>2016-2017 Rs.</b>	<b>2015-2016 Rs.</b>
Consumption of stores and spares	<b>1,60,96,875</b>	1,55,98,946
Processing Charges	<b>1,60,59,024</b>	1,64,88,375
Power and fuel	<b>18,05,97,006</b>	21,42,76,347
Freight and forwarding charges	<b>80,79,134</b>	86,50,451
Rent	<b>13,44,000</b>	14,90,157
Rates and taxes	<b>17,83,898</b>	16,34,297
Insurance	<b>13,54,989</b>	13,68,357
Repairs and maintenance		
Plant and machinery	<b>4,42,62,006</b>	4,60,09,284
Buildings	<b>21,49,555</b>	27,56,343
Others	<b>25,40,122</b>	21,93,009
Expenditure on CSR	<b>16,09,949</b>	-
Sales commission	<b>1,00,58,489</b>	99,71,521
Travelling and conveyance	<b>28,86,172</b>	45,53,816
Communication costs	<b>1,34,100</b>	1,91,786
Hank Yarn Obligation charges	<b>9,04,860</b>	5,59,892
Directors' sitting fee	<b>1,51,500</b>	1,04,000
Payment to auditor (Refer details below)	<b>4,31,816</b>	3,12,956
Tools written off	<b>41,273</b>	45,864
Bank Charges	<b>8,88,793</b>	2,89,318
Miscellaneous expenses	<b>1,08,63,058</b>	1,04,09,378
	<b>30,22,36,619</b>	33,69,04,097

<b>Payment to Auditors</b>	<b>2016-2017 Rs.</b>	<b>2015-2016 Rs.</b>
<u>As Auditor:</u>		
Audit fee	<b>1,43,750</b>	1,43,125
Tax audit fee	<b>83,375</b>	54,150
Other services (certification fees)	<b>96,275</b>	25,486
Reimbursement of expenses	<b>39,116</b>	21,495
Cost Auditors Fee	<b>69,300</b>	68,700
<b>Total</b>	<b>4,31,816</b>	3,12,956

**Sree Akkamamba Textiles Ltd.,**

<b>Note 22 - Depreciation and amortization expense</b>	<b>2016-2017 Rs.</b>	<b>2015-2016 Rs.</b>
Depreciation of tangible assets	<b>4,22,00,912</b>	4,45,54,233
	<b>4,22,00,912</b>	4,45,54,233

<b>Note 23 - Finance Costs</b>	<b>2016-2017 Rs.</b>	<b>2015-2016 Rs.</b>
Interest	<b>4,96,93,761</b>	5,37,46,438
Other Borrowing cost	<b>9,56,253</b>	5,14,370
	<b>5,06,50,014</b>	5,42,60,808

<b>Note 24</b>	<b>2016-2017 Rs.</b>	<b>2015-2016 Rs.</b>
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>2,64,91,451</b>	28,80,000
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>13,59,834</b>	25,18,429
- CIF value of Imports made during the year :-		
- Raw materials	<b>2,17,60,183</b>	-
- Components and spare parts	<b>38,71,111</b>	33,05,124
- Capital Goods	<b>4,12,47,164</b>	-

4. Sales :	2016-17		2015-16	
	Quantity (Kgs.)	Value Rs.	Quantity (Kgs.)	Value Rs.
Cotton yarn	<b>26,97,269</b>	<b>106,94,07,852</b>	27,87,861	111,72,75,811
Waste	<b>13,08,093</b>	<b>4,01,06,105</b>	13,05,538	2,65,31,821
		<b>110,95,13,957</b>		114,38,07,632

	2016-17		2015-16	
	Quantity (Kgs.)	Value Rs.	Quantity (Kgs.)	Value Rs.
5. Raw Material Consumed Cotton	<b>40,64,491</b>	<b>57,15,86,065</b>	41,70,752	52,00,36,005
6. Opening 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
7. Closing stock of finished goods:				
Yarn	<b>52,585</b>	<b>1,90,65,374</b>	59,354	2,07,42,539
Waste	<b>28,915</b>	<b>11,96,478</b>	41,450	3,46,532

8. Details of Licenced, installed and actual production :

	2016-2017	2015-2016
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>26,90,500</b>	27,94,090
Waste (Kgs.)	<b>12,95,558</b>	13,17,538

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 :	2016-17		2015-16	
	Quantity	Value	Quantity	Value
Imported	<b>1,79,26,521</b>	<b>3.14</b>	71,55,044	1.38
Indigenous	<b>55,36,59,543</b>	<b>96.86</b>	51,28,80,960	98.62
	<b>57,15,86,064</b>	<b>100%</b>	52,00,36,004	100%
b) Components and spare parts: (charged to appropriate heads)				
Imported	<b>41,06,058</b>	<b>9.88</b>	42,84,209	10.00
Indigenous	<b>3,74,68,947</b>	<b>90.12</b>	3,85,38,753	90.00
	<b>4,15,75,005</b>	<b>100%</b>	4,28,22,962	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

**Sree Akkamamba Textiles Ltd.,**

- 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**

	2016-17		2015-16	
	GRATUITY	Leave Encashment	GRATUITY	Leave Encashment
<b>a) Reconciliation for present value of obligations</b>				
Present value of obligations as at beginning of year	7,07,49,034	38,19,416	6,83,22,768	36,36,846
Interest Cost	56,59,923	2,58,357	54,65,821	2,64,334
Current Service Cost	33,72,638	(1,45,176)	32,93,916	5,05,808
Benefits paid	1,08,29,552	10,14,283	75,63,217	7,54,955
Actuarial (gain)/loss on obligation	5,544	7,61,200	12,29,746	1,67,383
Present value of obligations as at end of year	6,89,57,587	36,79,514	7,07,49,034	38,19,416
<b>b) Reconciliation for Fair Value of Plan Assets</b>				
Fair value of plan assets at beginning of year	7,54,13,361		6,72,53,176	
Expected return on plan assets	59,42,859		62,71,805	
Contributions	33,25,301		94,51,597	
Benefits paid	(1,08,29,552)		(75,63,217)	
Actuarial gain on plan assets	--		--	
Fair value of plan assets at the end of year	7,38,51,969		7,54,13,361	
<b>c) Expenses Recognised in statement of Profit &amp; loss a/c</b>				
Current Service cost	33,72,638	(1,45,176)	32,93,916	5,05,808
Interest Cost	56,59,923	2,58,357	54,65,821	2,64,334
Expected return on plan assets	59,42,859	-	62,71,805	-
Net Actuarial gain recognized in the year	5,544	7,61,200	12,29,746	1,67,383
Expenses to be recognised in the profit & loss	30,95,246	8,74,381	37,17,678	9,37,525
<b>d) Net Liability Recognised in the Balance Sheet</b>				
Present value of obligations as at the end of year	6,89,57,587	36,79,514	7,07,49,034	38,19,416
Fair value of plan assets as at the end of the year	7,38,51,969	-	7,54,13,361	-
Funded status	48,94,382	(36,79,514)	46,64,327	(38,19,416)
Net Liability Recognized in the Balance Sheet	(48,94,382)	36,79,514	(46,64,327)	38,19,416
<b>e) Acturial Assumptions</b>				
Assumptions				
Discount Rate	8.00%	7.30%	8.00%	7.80%
Salary Escalation	7.00%	8.00%	7.00%	8.00%
Mortality rate				
	LIC (2006-08)	IAL (2006-08)		

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. 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>

**Sree Akkamamba Textiles Ltd.,**

**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.	1,00,61,832 (99,99,194)		
2.	Sale of Goods to The Andhra Sugars Ltd.	2,64,295 (3,68,597)		
3.	Dividends received from The Andhra Sugars Ltd.	- (24,15,520)		
4.	Services Rendered by The Andhra Sugars Ltd.	10,926		
	Royal Printing Works	1,40,500 (1,69,000)		
	Sree Venkataraya Threads Pvt. Ltd.	1,60,59,024 (1,64,08,307)		
5.	Remuneration paid to Sri M.S.R.V.K. Rangarao		26,81,658 (22,63,026)	
6.	Interest paid to Jocil Limited	21,93,493 (46,97,788)		
	Sri M.S.R.V.K. Rangarao		15,393 (17,252)	
	Smt. M.Satyanarayanamma			2,92,355
	Kum. M Rukmini			- 1,58,404 (1,16,004)
	Kum M Ramya Tara			1,80,240 (1,45,616)
7.	Loan Repaid to Jocil Ltd.,	2,00,00,000 (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)		

**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
	Balances as at 31.3.2017 :			
9	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 (5,56,770)
	Smt. Mullapudi Srivani			25,000 (15,000)
	Sri Mullapudi Venkata Rayudu			70,000 (50,000)
	Ms. Mullapudi Rukmini			70,000 (50,000)
	Ms. Mullapudi Ramya Tara			70,000 (50,000)
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.,	1,00,01,541 (3,00,00,000)		
	Sri M.S.R.V.K. Rangarao		1,80,164 (3,34,604)	
	Smt. Mullapudi Satyanarayanamma			30,63,120 -
	Kum. M Rukmini			16,55,255 (15,16,138)
	Kum M Ramya Tara			18,82,265 (17,27,602)



**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.  Sri M.S.R.V.K. Rangarao  Dr. M. Harischandra Prasad  Smt. Mullapudi Satyanarayanamma Smt. Mullapudi Srivani  Sri Mullapudi Venkata Rayudu  Ms. Mullapudi Rukmini  Ms. Mullapudi Ramya Tara	2,80,000 (2,80,000)	99,200 (99,200)	99,200 (99,200) 1,11,354 (1,11,314) 5,000 (3,000) 14,000 (10,000) 14,000 (10,000) 14,000 (10,000)

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

Particulars		2016-2017 Rs.	2015-2016 Rs.
Profit attributable to the Shareholders	A	<b>72,28,854</b>	2,57,52,776
Basic/Weighted Average No of Equity Shares Outstanding during the year	B	<b>17,36,352</b>	17,36,352
Nominal value of Equity Share Rs.		<b>10</b>	10
Basic and Diluted Earning Per Share	A/B	<b>4.16</b>	14.83

**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

	<b>Rs.</b>
Unspent amount of previous year	<b>10,97,717</b>
Amount required to be spent for the year 2016-17	<b>11,20,959</b>
Gross amount to be spent	<b>22,18,676</b>
Less: Amount spent by the company during the year	<b>16,09,949</b>
Balance amount to be spent	<b>6,08,727</b>

**17. Disclosure on Specified Bank Notes**

The details of specified bank notes (SBN) held and transacted, as defined in MCA Notification No.GSR 308(E) dt.31-03-2017, during the period from 8th November 2016 to 30th December, 2016 are given below:

Particulars	SBN (Rs.)	Other denomination notes (Rs.)	Total Rs.
Closing Cash on hand as on 8th November 2016	2,52,000	2,03,793	4,55,793
Add: Permitted receipts	-	13,21,137	13,21,137
Less: Permitted payments	-	11,14,345	11,14,345
Less: Amount deposited in Banks	2,52,000	-	2,52,000
Closing Cash on hand as on 30th December 2016	-	4,10,585	4,10,585

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

19. 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 : 20th May, 2017

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 63nd Annual General Meeting of the Company to be held on Tuesday, 26th July, 2017 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,2017		
2.	Approval of Dividend for 2016-17		
3.	Re-appointment of Sri M.Narendranath 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.	Ratification of remuneration of Cost Auditors		

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

Signature of shareholder:.....

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

Note:

1. 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.
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 63<sup>rd</sup> Annual General Meeting.
3. 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.
4. Please complete all details including details of member(s) in above box before submission.