



SANDHYA SPINNING MILL LIMITED
RAJAPALAIYAM



Our Chairman presenting Best Worker Prize to our worker during the 19th Pongal Sports day Celebrations.



Our Chairman presenting Maximum Attendance Prize to our worker during the 19th Pongal Sports day Celebrations.



SHRI P.A.C. RAMASAMY RAJA

SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM

BOARD OF DIRECTORS :

Shri P.R. RAMASUBRAHMANEYA RAJHA, B.Sc.,
Chairman

Smt. B. SRISANDHYA RAJU
Managing Director

Shri P.R. VENKETRAMA RAJA, B.Tech., M.B.A.,

Smt. R. SUDARSANAM

Smt. P.V. NIRMALA RAJU

Shri N.K. SHRIKANTAN RAJA

Shri S. KANTHIMATHINATHAN

BANKERS

Axis Bank Limited

Canara Bank

IDBI Bank Limited

Indian Bank

Kotak Mahindra Bank Limited

State Bank of India

Tamilnad Mercantile Bank Limited

Registered Office :

Sandhya Spinning Mill Limited,
No.47, P.S.K. Nagar,
Rajapalaiyam - 626 108,
Tamil Nadu.
E-mail : sandhya@ramcotex.com
Phone No. : 04653 - 235009
Fax No. : 04563 - 235405

Website :

www.sandhyaspinningmill.co.in

Corporate Identification Number :

U17111TN1994PLC027037

Auditors :

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

Cost Auditors :

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

Factory :

Unit I

Krishnapuram Road,
Rajapalaiyam - 626 108,
Tamil Nadu.

Unit II

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

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SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM

NOTICE TO THE MEMBERS

Notice is hereby given that the 21st Annual General Meeting of the Company will be held at 11.00 A.M. on Wednesday, the 12th August, 2015 at P.A.C. Ramasamy Raja Centenary Community Hall, Sudarsan Gardens, P.A.C. Ramasamy Raja Salai, Rajapalaiyam-626 108, Tamil Nadu to transact the following business:

ORDINARY BUSINESS :

1. To consider and pass the following Resolution, as an ORDINARY RESOLUTION:
"RESOLVED that the Directors' Report and the Company's Statement of Profit & Loss for the year ended 31st March, 2015, Balance sheet as at that date and Cash Flow Statement for the year ended on that date and the Auditor's Report thereon be and are hereby considered and adopted."
2. To consider and pass the following Resolution, as an ORDINARY RESOLUTION:
"RESOLVED that Smt. R. Sudarsanam, who retires by rotation, be and is hereby elected as Director of the Company."
3. To consider and pass the following Resolution, as an ORDINARY RESOLUTION:
"RESOLVED that Smt. P.V. Nirmala Raju, who retires by rotation, be and is hereby elected as Director of the Company."
4. To consider and pass the following Resolution, as an ORDINARY RESOLUTION:
"RESOLVED that in terms of Section 139 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, the appointment of Shri. R. Palaniappan, Prop. M/s. N.A. Jayaraman & Co., Chartered Accountants, Chennai, holding Firm Registration No.: 001310S, as Auditors of the Company for the second consecutive year, viz., from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting, out of his term of three consecutive years as approved at the Annual General Meeting held on 04-08-2014, be and is hereby ratified".

SPECIAL BUSINESS :

5. To consider and pass the following Resolution, as an ORDINARY RESOLUTION:
"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and Rule 14 of Companies (Audit and Auditors) Rules, 2014, the remuneration of Rs. 48,000/- exclusive of Service Tax and Out-of-pocket expenses payable to M/s. RKMS & Associates, Cost Accountants (Firm Registration No. 000335) appointed as the Cost Auditors of the Company by the Board of Directors, for the financial year 2015-16 for auditing the Cost Records relating to manufacture of Textile Products, be and is hereby ratified and confirmed."

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

P.R. RAMASUBRAHMANEYA RAJHA,
Chairman

Rajapalaiyam,
21st May, 2015.

NOTES:

1. Statement pursuant to Section 102 of the Companies Act, 2013, setting out the material facts related to the item of Special Business is annexed hereto.
 2. **A member entitled to attend and vote is entitled to appoint a Proxy to attend and vote instead of himself and that the Proxy need not be a Member.**
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SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM

NOTICE

3. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. Proxy Form is enclosed. Proxies in order to be effective must be received at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting. Proxies submitted on behalf of the Companies, societies, etc., must be supported by an appropriate resolution/authority, as applicable.
4. The Register of Members and the Share Transfer Books of the Company will remain closed from 07-08-2015 to 12-08-2015 (both days inclusive).
5. Under the provisions of Section 124(5) of the Companies Act, 2013, dividends remaining unpaid for a period of over 7 years will be transferred to the Investor Education & Protection Fund (IEPF) of the Central Government. Hence, the members who have not claimed their dividend relating to the earlier years may write to the Company for claiming the amount before it is so transferred to the Fund. The details of due dates for transfer of such unclaimed dividend to the said Fund are:

FINANCIAL YEAR ENDED	DATE OF DECLARATION OF DIVIDEND	LAST DATE FOR CLAIMING UNPAID DIVIDEND	DUE DATE FOR TRANSFER TO IEP FUND
31.03.2008	06-08-2008	05-08-2015	03-09-2015
31.03.2010	04-08-2010	03-08-2017	01-09-2017
31.03.2011	20-07-2011	19-07-2018	17-08-2018
31.03.2014	04-08-2014	03-08-2021	01-09-2021

6. Voting through electronic means:
 - A. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is providing members a facility to exercise their right to vote at the 21st Annual General Meeting (AGM) by electronic means and the business may be transacted through such voting, through e-Voting services provided by Central Depository Services (India) Limited (CDSL).
 - B. The facility for voting, either through electronic voting system or ballot or polling paper shall also be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-Voting shall be able to exercise their right at the meeting.
 - C. The members who have cast their vote by remote e-Voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

The instructions for e-Voting are as under:

- i) To log on to the e-Voting website www.evotingindia.com.
- ii) To Click on **Shareholders** tab.
- iii) Now, select the "**SANDHYA SPINNING MILL LIMITED**" from the drop down menu and click on "**SUBMIT**".
- iv) **USER ID**

Now, enter your User ID as given below:

- Members should enter Folio Number registered with the Company.

SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM

NOTICE

v) Next enter the Captcha Code as displayed and Click on Login.

vi) PASSWORD

If you are first time user to fill up the following details in the appropriate boxes :

PAN	Enter your 10 digit alpha-numeric Sequence Number *
	<ul style="list-style-type: none">Members are requested to use the first two letters of their name (in Capital Letters) and the 8 digits of the Sequence Number in the PAN field. Sequence Number has been provided as No. in the address label).In case the Sequence Number is less than 8 digits, enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL Letters. Example. if your name is SAKTHI VEL with Sequence Number 1, then enter SA00000001 in the PAN field.
Dividend Bank details#	<ul style="list-style-type: none">Please enter the Folio Number in the Dividend Bank details field.Leave Date of Birth column blank.

vii) After entering these details appropriately, click on "SUBMIT" tab.

viii) Members will then reach directly the Company Selection Screen.

ix) The details can be used only for e-Voting on the resolutions contained in this Notice.

x) Click on relevant EVSN for "**SANDHYA SPINNING MILL LIMITED**" on which you choose to vote.

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

xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolutions.

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

xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

xv) You can also take out print of the voting done by you clicking on "Click here to Print" option on the Voting page. It need not be sent to the Company.

xvi) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

D. The facility for remote e-Voting shall remain open from 9.00 a.m. on Sunday, the 09th August, 2015 to 5.00 p.m. on Tuesday, the 11th August, 2015. During this period, the members of the Company, as on the cut-off-date, viz., Thursday, the 06th August, 2015 may opt for remote e-Voting.

SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM

NOTICE

- E. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-Voting manual available at www.evotingindia.com under help section or write an e-mail to helpdesk.evoting@cdslindia.com.
- F. The voting rights of shareholders shall be in proportion to the shares held by them in the paid up equity share capital of the Company as on 06-08-2015.
- G. Sri R. Palaniappan, Chartered Accountant (Membership No:205112), Proprietor, M/s. N.A. Jayaraman & Co., Chartered Accountant has been appointed as the Scrutinizer to scrutinize the e-Voting process in a fair and transparent manner.
- H. The Chairman shall, at the general meeting, at the end of discussion on the resolutions on which voting is to be held, allow voting, with the assistance of scrutinizer, by use of ballot or polling paper or by using an electronic voting system for all those members who are present at the general meeting but have not cast their votes by availing the remote e-Voting facility.
- I. The Scrutinizer shall immediately after conclusion voting at the Annual General Meeting. First count the votes cast at the meeting there after unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make not later than three days of conclusion of the Meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or person authorised by him in writing who shall countersign the same and the Chairman or a person authorized by him in writing shall declare the result of the voting forthwith.

By Order of the Board,
For SANDHYA SPINNING MILL LIMITED,
P.R. RAMASUBRAHMANEYA RAJHA,
Chairman

Rajapalaiyam,
21st May, 2015.

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 5

In accordance with the provisions of Section 148 of the Companies Act, 2013 (the Act) and the Companies (Audit and Auditors) Rules, 2014 (the Rules), the Company is required to appoint a cost auditor to audit the cost records of Company from the financial year 2015-16, relating to manufacture of Textile Products.

On the recommendation of the Audit Committee at its meeting held on 21-05-2015, the Board had approved the appointment of M/s. RKMS & Associates, Madurai, Practising Cost Accountants as the Cost Auditors of the Company to audit the Company's Cost Records relating to manufacture of Textile Products at a remuneration of Rs.48,000/- exclusive of service tax and out-of-pocket expenses.

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

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

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

By Order of the Board,
For SANDHYA SPINNING MILL LIMITED,
P.R. RAMASUBRAHMANEYA RAJHA,
Chairman

Rajapalaiyam,
21st May, 2015.

SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM

DIRECTORS' REPORT

TO THE MEMBERS

Your Directors have pleasure in presenting their 21st Annual Report and the Audited Accounts of the Company for the year ended 31st March, 2015.

FINANCIAL RESULTS

The financial results for the year ended 31st March, 2015 after charging all expenses but before deducting finance cost and depreciation have resulted in operating profit of Rs. 2,883.21 Lakhs against Rs. 3,974.32 Lakhs for the previous financial year 2013-14.

After deducting Rs.1,825.34 Lakhs towards finance cost and providing Rs. 966.03 Lakhs towards Depreciation, the Net Profit for the year is Rs. 91.84 Lakhs, against Rs. 992.10 Lakhs for the previous financial year 2013-14. Adding the surplus of Rs. 209.82 Lakhs brought forward from the previous year, your Directors propose to appropriate the total sum of Rs. 301.66 Lakhs as detailed below:

		Rs. in Lakhs
Provision for Taxation	- Current Tax - MAT	20.00
	- Deferred Tax	(19.00)
Preference Dividend	@ 7.50%	9.49
Tax on Preference Dividend	@ 20.358%	1.93
Transfer to General Reserve		100.00
Balance carried over to Balance Sheet		189.24
	Total	301.66

SHARE CAPITAL

The Paid-up Capital of the Company is Rs.760 Lakhs consisting of 46,00,000 Nos. of Equity Shares of Rs.10/- each and 30,00,000 Nos. of 7.50% Cumulative Redeemable Preference Shares of Rs.10/- each.

DIVIDEND

Your Directors have not recommended any equity dividend for the current year. However, Rs. 9.49 Lakhs has been appropriated towards Preference Dividend on 7.50% Cumulative Redeemable Preference Shares. The Preference Dividend will be tax free income in the hands of Shareholders as the Company will pay Dividend Distribution Tax under Income Tax Act, 1961. The amount of tax on preference dividend would be Rs. 1.93 Lakhs. The total amount of Dividend outgo for the year will be Rs.11.42 Lakhs.

TAXATION

The Company is not liable to pay income tax under regular Income-Tax provisions. However, an amount of Rs.20 Lakhs towards Current Tax (MAT) has been provided for the year. An amount of Rs.19 Lakhs has been withdrawn from Deferred Tax Liability provided in the earlier years which is in accordance with the Accounting Standards.

SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM

DIRECTORS' REPORT

MANAGEMENT DISCUSSION AND ANALYSIS

TRADE CONDITIONS

During the year under review, the performance of the Company was severely affected due to the following reasons:

The cotton prices have prevailed at higher level during the first half of year under review and started declining from October, 2014 onwards due to record cotton crop estimated at 400 Lakhs Bales for the cotton season 2014-15. The reduced demand of Cotton from China, have negatively impacted on the cotton prices. Because of this, cotton prices have fallen below the Minimum Support Prices and Government of India has started procuring cotton at minimum support price through Cotton Corporation of India (CCI). CCI has purchased majority of the cotton produced in Andhra Pradesh / Teluganna Region during current cotton season 2014-15, which has resulted in non-availability of cotton to the Spinning Mills at reasonable price.

The fall in prices of yarn in export market due to sluggish demand for yarn in the China, Europe, Japan and other major yarn importing Countries from India has negatively impacted on the profitability of the Company. Yarn export to China, which is one of the largest Importer of Cotton Yarn from India has declined by 20% due to change in Chinese Government policy to liquidate their cotton inventory.

Because of the slowdown in export market, there has been an excess supply of cotton yarn in domestic market. This has resulted in mismatch between supply and demand for yarn in India. The increased supply of cotton yarn in domestic market has brought down the selling prices of yarn in India. Steep fall in cotton prices have also put pressure on selling prices of yarn in domestic and export markets.

The power cut in Tamil Nadu / Andhra Pradesh is still continuing. Timely decision taken by your Directors to install Windmills in previous years has helped the Company to mitigate the power short fall during peak wind season. The restrictions imposed by the Tamil Nadu Generation and Distribution Corporation (TANGEDCO) in evacuation of power generated by wind mills has continued this year also, which has resulted in loss in generation of power from wind mills to the extent of approximately 5.70 million units, which translated into Rs.3.29 Crores in monetary terms.

Due to shut-down of wind mills by TANGEDCO, the Company was forced to purchase the power from power generating companies / run the DG sets, which are costly compared to wind mills. Due to this, the power cost during the year has gone up substantially.

The reduction in yarn selling price and the increase in costs have contributed to reduction in profits for the year 2014-15, compared to the previous year.

EXPORTS

On the export front during the year, we have made export of Cotton Yarn (including merchant exports) for a value of Rs. 42.70 Crores as against Rs. 111.35 Crores of the previous year.

MODERNISATION

As a part of continuous thrust on modernization programme, the Company has invested about Rs. 56 Lakhs in Uster Quantum III, Contamination Detecting Machines, etc.

SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM

DIRECTORS' REPORT

WIND MILL

The Company has wind mills with installed capacity of 10.95 MW for its captive power consumption. These wind mills are connected to the grids maintained by Tamil Nadu Generation and Distribution Corporation (TANGEDCO). The generation from wind farms has been adversely affected due to evacuation constraints imposed by TANGEDCO. Because of this, even though our wind farm areas had witnessed good wind season, the windmills were not able to generate power to its full potential. The backing down of the wind electric generators imposed by TANGEDCO during the last year has continued this year also and caused generation loss of upto 4 % during peak wind season.

The wind farm has generated 153 Lakhs Kwh as compared to 158 Lakhs Kwh of the previous year. The income during the year from the Wind Mill Division was Rs. 9.09 Crores as against Rs.9.37 Crores of previous year.

PROSPECTS FOR THE CURRENT YEAR

The cotton prices are prevailing at moderate level. There is a sign of revival of demand for yarn in domestic as well as international yarn markets and the prices of yarn have started improving slowly. With the moderation in cotton prices & stability in yarn prices, your Directors are hopeful in achieving satisfactory results for the year 2015-16.

The Company is maintaining high standards of yarn quality, cost effective production and stringent waste control measures and focusing on more automation with a view to utilize the skilled manpower more efficiently. The Company is making all efforts to cope up with the current challenges through continuous cost reduction, imparting training to the employees at all levels, re-engineering of process and improved customer service to protect & improve the profit margins.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

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

INDUSTRIAL RELATIONS AND PERSONNEL

The Company has 750 employees as on 31-03-2015. Industrial relations with employees remained cordial during the year. Human Resources Development activities received considerable focus. The emphasis was on imparting training and development of the skill-set of the employees to enable them to face the challenges in the work environment. The scarcity of skilled labour coupled with high labour cost is a matter of concern for textile mills. We are striving our best to retain them by implementing various attractive incentive schemes.

INTERNAL FINANCIAL CONTROL

In accordance with Section 134(5)(e) of the Companies Act, 2013, the Company has Internal Financial Controls Policy by means of Policies and Procedures commensurate with the size & nature of its operations and pertaining to financial reporting. In accordance with Rule 8(5) (viii) of the Companies (Accounts) Rules, 2014, it is hereby confirmed that the internal financial controls are adequate with reference to the financial statement. ERP systems developed by M/s. Ramco Systems Limited has been installed for online monitoring of all functions and management information reports are being used to have better control and to take decisions in time.

SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM

DIRECTORS' REPORT

VIGIL MECHANISM / WHISTLE BLOWER POLICY

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

DIRECTORS

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

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

The Members of the Company at the last Annual General Meeting held on 4th August, 2014 have approved the appointment of following Directors as Independent Directors for a period of five years with effect from 01-04-2014:

1. Dr. K.T. Krishnan*
2. Shri N.K. Shrikantan Raja

*We regret to report the sad demise of Dr. K.T. Krishnan (DIN : 00707574) on 30-04-2015. Dr. K.T. Krishnan was the Chairman of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee of the Board. He was also a member in CSR Committee of the Board. The Directors place on record Dr. K T Krishnan's valuable and constructive contribution in the Board and Committee Meetings during his association of 20 years with the Company.

The Members of the Company had at the aforesaid Annual General Meeting also approved the appointment of Smt. B. SriSandhya Raju as Managing Director for a period of 3 years with effect from 01-04-2014.

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

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

The Audit Committee consist of Shri N.K. Shrikantan Raja (Independent Director) and Shri S. Kanthimathinathan as member. One vacancy arisen due to sudden demise of Dr. K.T. Krishnan, Chairman of the Committee. Pursuant to Section 177(8) of the Companies Act, 2013, it is reported that there has not been an occasion, where the Board had not accepted any recommendation of the Audit Committee.

In accordance with Section 178(3) of the Companies Act, 2013 and based upon the recommendation of the Nomination and Remuneration Committee, the Board of Directors have approved a policy relating to appointment and remuneration of Directors, Key Managerial Personnel and Other Employees. The objective of the Nomination and Remuneration Policy is to ensure that the level and composition of remuneration is reasonable, the relationship of remuneration to performance is clear and appropriate to the long term goals of the Company.

SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM

DIRECTORS' REPORT

BOARD EVALUATION

Pursuant to Section 134(3)(p) of the Companies Act, 2013, Independent Directors have evaluated the quality, quantity and timeliness of the flow of information between the Management and the Board, Performance of the Board as a whole and its Members and other required matters. The Nomination Committee has laid down evaluation criteria for the performance evaluation of Independent Director, which will be based on attendance, expertise and contribution brought in by the Independent Director at the Board Meeting, which shall be taken into account at the time of re-appointment of Independent Director.

MEETINGS OF THE BOARD

During the year, Five Board Meetings were convened on 25-05-2014, 03-08-2014, 22-09-2014, 10-11-2014 and 11-02-2015.

PUBLIC DEPOSITS

During the year, the Company had not accepted any deposits covered under Chapter V of the Companies Act, 2013. There was no deposits unclaimed / unpaid as on 31.03.2015. There has been no default in the repayment of deposits / payment of interest thereon during the year. The Company has no deposit, which is not in compliance with the Chapter V of the Companies Act, 2013.

ORDERS PASSED BY REGULATORS

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

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The Company has not given any loans or guarantee to any Company during the year 2014-15 under Section 186 of the Companies Act.

The Particulars of the investments are disclosed under Note No.11 of Notes to financial statements.

CORPORATE SOCIAL RESPONSIBILITY

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

STATUTORY AUDIT

Shri R. Palaniappan, Prop. M/s. N.A.Jayaraman & Co, Chartered Accountants, Chennai, are the Auditors of the Company.

In the last Annual General Meeting, the above Auditors have been appointed as a statutory auditors for a period of 3 consecutive years being their remaining eligible period in terms of Rule 6 of the Companies (Audit and Auditors) Rules, 2014. The matter relating to their appointment is being placed before the Members for ratification at the ensuing Annual General Meeting, in accordance with the requirements of Section 139(1) of the Companies Act, 2013.

SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM

DIRECTORS' REPORT

The Auditors have confirmed their eligibility to the effect that their re-appointment, if made, would be within the prescribed limits under the Companies Act, 2013 and they are not disqualified for re-appointment.

The report of Statutory Auditors for the year ended 31st March, 2015 do not contain any qualification, reservation or adverse remark.

COST AUDIT

The Cost Audit Report for the financial year 2013-14 due to be filed with Ministry of Corporate Affairs by 27-09-2014, had been filed on 19-09-2014.

Cost Audit is not applicable to the Company for the financial year 2014-15. However, MCA has amended the Companies (Cost Records and Audit) Rules, 2014 vide its notification dated 31-12-2014 and Textile Mills are required to file cost audit report with effect from the next financial year 2015-16.

The Company has appointed M/s. RKMS & Associates, Practising Cost Accountants, as Cost Auditor of the Company to audit of Company's Cost Records relating to manufacture of textile products for the year 2015-16.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Pursuant to Rule 8(3) of Companies (Accounts) Rule, 2014, the information relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo is attached as Annexure – II.

EXTRACT OF ANNUAL RETURN

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

RELATED PARTY TRANSACTION

The transaction with related party entered into by the Company are periodically placed before the Audit Committee for its approval. No transaction with the related party is material in nature, in accordance with Company's "Related Party Transaction Policy". In accordance with AS -18, (Related Party Disclosure) the details of transactions with the related parties are set out in Note No. 26(15) of disclosure forming part of Financial Statements.

RISK MANAGEMENT POLICY

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- i) in the preparation of Annual Accounts, the applicable accounting standards had been followed, along with proper explanation relating to material departures;

SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM

DIRECTORS' REPORT

- ii) they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- iii) they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv) they had prepared the Annual Accounts on a going concern basis.
- v) they had laid down Internal Financial Controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- vi) they had devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ACKNOWLEDGEMENT

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

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

P.R. RAMASUBRAHMANEYA RAJHA,
Chairman

Rajapalaiyam,
21st May, 2015.

ANNEXURE I TO DIRECTORS' REPORT

DISCLOSURE RELATAING TO REMUNERATION UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013, READ WITH THE RULE 5(2) AND (3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Employed throughout the financial year 2014-15 under review and was in receipt of remuneration in the aggregate of not less than Sixty Lakhs Rupees.

Sl. No.	Name of Employee	Age (Years)	Designation	Remuneration Paid/ Payable Rs.	Qualification and experience (Years)	Date of Commencement of employment	Last Employment
1	Smt. B. SriSandhya Raju	28 Years	Managing Director	1.35 crores	5 Years	25 th May, 2009	---

NOTE:

1. The Managing Director's employment is contractual.
2. Remuneration includes Salary, Company's contribution to Provident Fund and Superannuation Fund, but does not include Provision for Gratuity and Leave encashment.
3. The Managing Director is related to Shri. P.R. Ramasubrahmaneya Rajha, Chairman, Smt. R. Sudarsanam, Director, Shri. P.R. Venketrama Raja, Director and Smt. P.V. Nirmala Raju, Director.

SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM

ANNEXURE II TO DIRECTORS' REPORT

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

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

A)	CONSERVATION OF ENERGY:	
	(i) the steps taken on conservation of energy; Impact on conservation of energy	Optimization of plant in humidification plants. Reduction of motor rating wherever lesser loads were available. Use of Super Energy Efficient motors for plant humidification plants. Energy audit and energy conservation measures are being adopted periodically. Efficient operation of compressors. Optimisation of humidification plant had resulted unit saving of 40,000 units per annum approx.
	(ii) the steps taken by the Company for utilising alternate sources of energy;	Already the Company had invested on Windmills to generate green energy for their captive consumption. The total capacity of Wind Mill is 10.95 M.W.
	(iii) the capital investment on energy conservation equipments;	NIL
B)	TECHNOLOGY ABSORPTION:	
	(i) the efforts made towards technology absorption and the benefits derived like product improvement, cost reduction, product development or import substitution;	The Company installed new modernized contamination detector machines at various stages of production, which effectively eliminate contamination in cotton and yarn.
	(ii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)	NIL
	(a) the details of technology imported;	NIL
	(b) the year of import;	NIL
	(c) whether the technology been fully absorbed;	Not Applicable
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and	Not Applicable
	(iii) the expenditure incurred on Research and Development	Not Applicable
C)	FOREIGN EXCHANGE EARNINGS AND OUTGO:	
	The Foreign Exchange earned in terms of actual inflows during the year and	Rs. 1,381.32 Lakhs
	The Foreign Exchange outgo during the year in terms of actual outflows.	Rs. 434.90 Lakhs

SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM

ANNEXURE III TO DIRECTORS' REPORT

Form MGT - 9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2015

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

I. REGISTRATION AND OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM

ANNEXURE III TO DIRECTORS' REPORT

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

i) Category-Wise Share Holding

Category of Shareholder		No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	Promoters									
(1)	Indian									
a)	Individuals/ Hindu Undivided Family	-	35,90,650	35,90,650	78.06	-	36,05,230	36,05,230	78.37	0.31
b)	Central Government	-	-	-	-	-	-	-	-	-
c)	State Government(s)	-	-	-	-	-	-	-	-	-
d)	Bodies Corporate	-	-	-	-	-	-	-	-	-
e)	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
f)	Any Others...	-	-	-	-	-	-	-	-	-
	Sub Total (A) (1)	-	35,90,650	35,90,650	78.06	-	36,05,230	36,05,230	78.37	0.31
(2)	Foreign									
a)	NRIs - Individuals	-	-	-	-	-	-	-	-	-
b)	Other Individuals	-	-	-	-	-	-	-	-	-
c)	Bodies Corporate	-	-	-	-	-	-	-	-	-
d)	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
e)	Any Others	-	-	-	-	-	-	-	-	-
	Sub Total (A) (2)	-	-	-	-	-	-	-	-	-
	Total Shareholding of Promoter and Promoter Group (A) = (A) (1) + (A) (2)	-	35,90,650	35,90,650	78.06	-	36,05,230	36,05,230	78.37	0.31
B.	Public shareholding									
(1)	Institutions									
a)	Mutual Funds	-	-	-	-	-	-	-	-	-
b)	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
c)	Central Government	-	-	-	-	-	-	-	-	-
d)	State Government(s)	-	-	-	-	-	-	-	-	-
e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
f)	Insurance Companies	-	-	-	-	-	-	-	-	-
g)	Foreign Institutional Investors	-	-	-	-	-	-	-	-	-
h)	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i)	Others (specify)	-	-	-	-	-	-	-	-	-
	Sub-Total (B) (1)	-	-	-	-	-	-	-	-	-
B (2)	Non-institutions									
a)	Bodies Corporate									
i)	Indian	-	-	-	-	-	-	-	-	-
ii)	Overseas	-	-	-	-	-	-	-	-	-
b)	Individuals									
i)	Individual shareholders holding nominal share capital up to Rs 1 lakh	-	10,09,350	10,09,350	21.94	-	9,94,770	9,94,770	21.63	0.31
ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	-	-	-	-	-	-	-	-	-
(c)	Others (specify)	-	-	-	-	-	-	-	-	-
	Sub-Total (B) (2)	-	-	-	-	-	-	-	-	-
B	Total Public Shareholding (B) = (B) (1) + (B) (2)	-	10,09,350	10,09,350	21.94	-	9,94,770	9,94,770	21.63	0.31
C)	Shares held by Custodians for GDRs & ADRs	-	-	-	-	-	-	-	-	-
	GRAND TOTAL (A) + (B) + (C)	-	46,00,000	46,00,000	100.00	-	46,00,000	46,00,000	100.00	-

SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM

ANNEXURE III TO DIRECTORS' REPORT

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 Shareholding during the year
		No. of Shares	% of Total Shares of the company	% of Shares Pledged / encumbered to total Shares	No. of Shares	% of Total Shares of the company	% of Shares Pledged / encumbered to total Shares	
1	Shri P R Ramasubrahmaneya Rajha	41,560	0.91	-	41,560	0.91	-	-
2	Shri P R Venketrama Raja	42,000	0.91	-	42,000	0.91	-	-
3	Smt. B SriSandhya Raju	28,50,750	61.97	-	28,65,330	62.28	-	0.31
4	Smt. R Sudarsanam	43,400	0.95	-	43,400	0.95	-	-
5	Smt. P V Nirmala Raju	42,000	0.91	-	42,000	0.91	-	-
6	Shri P V Abinav Ramasubramaniam Raja	1,40,000	3.04	-	1,40,000	3.04	-	-
7	Smt. Ramachandra Raja Chittammal	7,840	0.17	-	7,840	0.17	-	-
8	Shri S S Ramachandra Raja	3,500	0.08	-	3,500	0.08	-	-
9	Shri N K Ramasuwami Raja	1,000	0.02	-	1,000	0.02	-	-
10	Master Vikramaditya Raju M/G. Smt. B. SriSandhya Raju	4,18,600	9.10	-	4,18,600	9.10	-	-
	TOTAL	35,90,650	78.06		36,05,230	78.37		0.31

iii) Change in Promoters' Shareholding

Shareholding		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01-04-2014 to 31-03-2015)	
No. of Shares at the beginning (01-04-2014) / end of the year (31-03-2015)	% of total Shares of the Company				No. of shares	% of total shares of the company
28,50,750	61.97	01-04-2014				
		28-07-2014	14,580	Transfer	28,65,330	62.28

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

S. No.	Name	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Smt. R. Vijayalakshmi	7,000	0.15	7,000	0.15
2	Smt. R. Jayanthi	7,000	0.15	7,000	0.15
3	Smt. N. Shanthi	7,000	0.15	7,000	0.15
4	Smt. Sunitha Goenka	7,000	0.15	7,000	0.15
5	Smt. Neelabh Goenka	7,000	0.15	7,000	0.15
6	Shri Arun Kumar Genka	7,000	0.15	7,000	0.15
7	Min Aditil Goenka	7,000	0.15	7,000	0.15
8	Min Archita Goenka	7,000	0.15	7,000	0.15
9	Smt. J. Sethulakshmi	4,900	0.11	4,900	0.11
10	Smt. R. Janagam	4,500	0.10	4,500	0.10

SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM

ANNEXURE III TO DIRECTORS' REPORT

v) Shareholding of Directors and Key Managerial Personnel:

S. No.	Name	Shareholding		Date	Increase / (Decrease) in Shareholding	Reason	Cumulative Shareholding during the year (01-04-2014 to 31-03-2015)	
		No. of Shares at the beginning (01-04-2014) / end of the year (31-03-2015)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	Shri P.R. Ramasubrahmaneya Rajha	41,560	0.91	N.A.	N.A.	N.A.	41,560	0.91
2	Shri P.R. Venketrama Raja	42,000	0.91	N.A.	N.A.	N.A.	42,000	0.91
3	Smt. R. Sudarsanam	43,400	0.95	N.A.	N.A.	N.A.	43,400	0.95
4	Smt. B. SriSandhya Raju	28,50,750	61.97	28-07-2014	14,580	Transfer	28,65,330	62.29
5	Smt. P.V. Nirmala Raju	42,000	0.91	N.A.	N.A.	N.A.	42,000	0.91
6	Shri N.K. Shrikantan Raja	2,100	0.05	N.A.	N.A.	N.A.	2,100	0.05
7	Dr. K.T. Krishnan*	1,000	0.02	N.A.	N.A.	N.A.	N.A.	N.A.
8	Shri. S. Kanthimathinathan	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

* Dr. K.T. Krishnan expired on 30-04-2015.

V. INDEBTEDNESS

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

(Rs. in Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the Beginning of the financial year				
i) Principal Amount	18,027	1,459	20	19,506
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	5	5
Total (i+ii+iii)	18,027	1,459	25	19,511
Change in Indebtedness during the financial year				
Addition	-	1,149	-	1,149
Reduction	(3,137)	-	(25)	(3,162)
Net Change	(3,137)	1,149	(25)	(2,013)
Indebtedness at the end of the financial year				
i) Principal Amount	14,890	2,608	-	17,498
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	14,890	2,608	-	17,498

SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM

ANNEXURE III TO DIRECTORS' REPORT

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

S. No.	Particulars of Remuneration	Smt. B. SriSandhya Raju, Managing Director	Total Amount
1	Gross salary	120.00	120.00
	(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, (Sitting Fees)	0.15	0.15
5	Others, please specify	-	-
	Total	120.15	120.15
	Ceiling as per Act	Managing Director remuneration is fixed at 5% of net profit of the Company and in case, no profits or inadequacy of profits, the Managing Director shall be paid the maximum remuneration as per Section II Part II of Schedule V of the Companies Act, 2013 which work out to Rs. 120 Lakhs.	

B. Remuneration to other Directors:

1. Independent Directors

Particulars of Remuneration	Name of Directors		Total Amount
	Shri N.K. Shrikantan Raja	Dr. K.T. Krishnan	
Fee for attending board committee meetings	1.80	1.05	2.85
Commission	-	-	-
Others	-	-	-
Total B (1)	1.80	1.05	2.85

2. Other Non-Executive Directors

Particulars of Remuneration	Name of Directors				Total Amount
	Shri P.R. Ramasubrahmaneya Rajha	Shri P.R. Venketrama Raja	Smt. P.V. Nirmala Raju	Shri S. Kanthimathinathan	
Fee for attending board committee meetings	1.35	0.15	0.15	1.35	3.00
Commission	-	-	-	-	-
Others	-	-	-	-	-
Total B (2)	1.35	0.15	0.15	1.35	3.00
Total B (1) + B (2)					5.85
Total Managerial Remuneration (A+B)					126.00

SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM

ANNEXURE III TO DIRECTORS' REPORT

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

S. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		--	--	
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	-	-	-
	Total			

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/ NCLT/COURT)	Appeal made, if any (give Details)
A. COMPANY					
Penalty			None		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			None		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			None		
Punishment					
Compounding					

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

P.R. RAMASUBRAHMANEYA RAJHA,
Chairman

Rajapalaiyam,
21st May, 2015.

SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF M/S. SANDHYA SPINNING MILL LIMITED

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of SANDHYA SPINNING MILL LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriated in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015 and its profit and its cash-flows for the year ended on that date.

SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM

INDEPENDENT AUDITOR'S REPORT

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report), 2015 ("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 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 explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies(Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

R. Palaniappan
Proprietor.
Membership No. 205112

Rajapalaiyam
21st May, 2015.

SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM

ANNEXURE TO THE AUDITORS' REPORT

Referred to in paragraph 1 of our report of even date:

- 1) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
(b) All assets have been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- 2) (a) The inventory has been physically verified during the year by the management. In our opinion the frequency of verification is reasonable.
(b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
(c) On the basis of our examination of the records of inventory, we are of the opinion that the company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- 3) The Company has not granted any loans, secured or unsecured to Companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- 4) In our opinion and according to the information and explanations given to us, there an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods and services. We have not observed any major weakness in the internal control system during the course of the audit.
- 5) The Company has not accepted any deposits within the meaning of Companies (Acceptance of Deposits) Rules 2014, from the public during the year. The Deposits accepted by the Company before the Commencement of the Companies Act, 2013 have been repaid as per the provisions of Section 74 of the Act. No order has been passed by the Company Law Board or the National Company Law Tribunal or by any Court or by any other Tribunal against the Company.
- 6) The Company is maintaining the accounts and cost records which have been specified by the Central Government under of Section 148(1) of the Companies Act, 2013.
- 7) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, wealth tax, sales tax, value added tax, service tax, duty of customs, cess and other statutory dues were in arrears as at 31st March, 2015 for a period of more than six months from the date they become payable.

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

Details	Amount (Rs. in Lakhs)	Forum where dispute is pending
VAT	21.24	JC (CT), Tirunelveli

SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM

ANNEXURE TO THE AUDITORS' REPORT

- (c) According to the information and explanations given to us, the amounts which were required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act 1956 (1 of 1956) and rules there under has been transferred to such fund within time.
8. The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.
9. The Company has not defaulted in repayment of dues to financial institutions or banks. The Company has not issued any debentures.
10. The Company has not given guarantee for loans taken by others from banks or financial institutions.
11. The Term Loans obtained by the Company were applied for the purpose for which the loans were obtained.
12. According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the year.

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

R. Palaniappan
Proprietor.
Membership No. 205112

Rajapalaiyam
21st May, 2015.

SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM
BALANCE SHEET AS AT 31ST MARCH, 2015

	Note No.		As at 31-03-2015		(Rs. in Lakhs) As at 31-03-2014
I EQUITY AND LIABILITIES					
(1) Shareholders' Fund					
(a) Share Capital	1	760.00		460.00	
(b) Reserves and Surplus	2	<u>533.02</u>	1,293.02	<u>540.61</u>	1,000.61
(2) Non Current Liabilities					
(a) Long Term Borrowings	3	8,374.34		10,638.53	
(b) Deferred Tax Liabilities (Net)	4	1,164.00		1,183.00	
(c) Long Term Provisions	5	<u>80.98</u>	9,619.32	<u>37.86</u>	11,859.39
(3) Current Liabilities					
(a) Short Term Borrowings	6	6,304.16		6,041.16	
(b) Trade Payables	7	368.77		221.06	
(c) Other Current Liabilities	8	3,358.36		3,221.00	
(d) Short Term Provisions	9	<u>344.55</u>	10,375.84	<u>393.47</u>	9,876.69
TOTAL			<u><u>21,288.18</u></u>		<u><u>22,736.69</u></u>
II ASSETS					
(1) Non-Current Assets					
(a) Fixed Assets					
(i) Tangible Assets	10	14,724.30		15,623.33	
(ii) Intangible Assets	10	1.28		1.28	
(iii) Capital Work-in-Progress		<u>5.02</u>	14,730.60	<u>15.09</u>	15,639.70
(b) Non-Current Investments	11		5.70		7.54
(c) Long term Loans and Advances	12		187.09		146.98
(2) Current Assets					
(a) Inventories	13	3,568.37		4,333.23	
(b) Trade Receivables	14	1,682.21		1,573.23	
(c) Cash and Bank Balances	15	171.21		134.76	
(d) Short Term Loan and Advances	16	192.78		211.51	
(e) Other Current Assets	17	<u>750.22</u>	6,364.79	<u>689.74</u>	6,942.47
TOTAL			<u><u>21,288.18</u></u>		<u><u>22,736.69</u></u>
Significant Accounting Policies	25				
Notes on Financial Statements	26				

The notes form an integral part of these financial statements.

As per our report annexed
For N.A. JAYARAMAN & CO.,
Chartered Accountants
FRN-001310S

R. PALANIAPPAN
Proprietor
Membership No. 205112

Rajapalayam,
21st May, 2015.

P.R. RAMASUBRAHMANEYA RAJHA
Chairman

SMT. B. SRISANDHYA RAJU
Managing Director

SMT. R. SUDARSANAM
P.R. VENKETRAMA RAJA
SMT. P.V.NIRMALA RAJU
N.K. SHRIKANTAN RAJA
S. KANTHIMATHINATHAN
Directors

SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

(Rs. in Lakhs)			
	Note No.	For the year ended 31-03-2015	For the year ended 31-03-2014
I	REVENUE		
	Revenue from Operations	17,446.38	23,255.05
II	Other Income	22.62	21.09
III	Total Revenue (I+II)	17,469.00	23,276.14
IV	EXPENSES		
	Cost of Materials Consumed	9,244.81	9,180.16
	Trade Purchases	216.65	5,955.61
	Changes in Inventories of Finished Goods and Work-in-progress	290.97	(157.75)
	Employee Benefit Expenses	1,229.77	1,097.08
	Finance Costs	1,825.34	1,833.14
	Depreciation	966.03	1,149.08
	Other Expenses	3,603.59	3,226.72
	Total Expenses	17,377.16	22,284.04
V	Profit Before Exceptional and Extraordinary items and Tax (III-IV)	91.84	992.10
VI	Exceptional & Extraordinary items	-	-
VII	Profit Before Tax (V-VI)	91.84	992.10
VIII	Tax Expenses		
	Current Tax - MAT	20.00	160.00
	Deferred Tax (Asset) / Liability	(19.00)	399.00
	Total Tax Expenses	1.00	559.00
IX	Profit after Tax (VII-VIII)	90.84	433.10
X	Earnings per Equity Share of Rs. 10/- each		
	Basic & Diluted (In Rupees)	1.97	9.42
	Significant Accounting Policies	25	
	Notes on Financial Statements	26	

The notes form an integral part of these financial statements.

As per our report annexed
For N.A. JAYARAMAN & CO.,
Chartered Accountants
FRN-001310S
R. PALANIAPPAN
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S. KANTHIMATHINATHAN
Directors

SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

	(Rs. in Lakhs)	
	2014-15	2013-14
A. Cash flow from Operating activities		
Net Profit before tax and Extraordinary items	91.84	992.10
Adjustments for :		
Depreciation	966.03	1,149.08
Interest paid	1,825.34	1,833.14
Interest Received	(15.84)	(16.40)
Dividend Received	(0.01)	(0.03)
Loss on sale of assets	0.72	0.91
Operating Profit before Working capital Changes	2,868.08	3,958.80
Adjustments for :		
Trade Receivables	(108.98)	(324.58)
Loans and Advances	(79.76)	(269.95)
Inventories	764.86	(1,805.53)
Trade Payables & Current liabilities	878.65	17.94
Cash generated from Operations	4,322.85	1,576.68
Income tax Paid	(2.10)	(165.63)
Net Cash from Operating activities	A 4,320.75	1,411.05
B. Cash Flow from Investing activities :		
Purchase of fixed assets	(152.32)	(387.83)
Sale of Investments	1.84	-
Purchase of Investments	-	(4.84)
Sale of assets	7.66	3.63
Interest received	15.84	16.40
Dividend received	0.01	0.03
Net Cash from / (used) in Investing activities	B (126.97)	(372.61)
C. Cash Flow from Financing activities :		
Proceeds from Allotment of Equity Shares	-	350.23
Proceeds from Allotment of Preference Shares	300.00	-
Proceeds from Long Term borrowings	-	3,660.79
Repayment of Long Term Loan	(2,830.41)	(2,818.76)
Increase/(Decrease) in Working Capital Borrowings	263.00	(418.03)
Payment of Dividend and Tax thereon	(64.58)	-
Interest Paid	(1,825.34)	(1,833.14)
Net cash used in financing activities	C (4,157.33)	(1,058.91)
Net Increase in Cash and Cash Equivalent	(A+B+C) 36.45	(20.47)
Opening balance of Cash and Cash Equivalents	D 134.76	155.23
Closing balance of Cash and Cash Equivalents	E 171.21	134.76
Net Increase in Cash and Cash Equivalent	(E-D) 36.45	(20.47)

As per our report annexed
For N.A. JAYARAMAN & CO.,
Chartered Accountants
FRN-001310S

R. PALANIAPPAN
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Membership No. 205112

Rajapalayam,
21st May, 2015.

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N.K. SHRIKANTAN RAJA
S. KANTHIMATHINATHAN
Directors

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

(Rs. in Lakhs)

Particulars	As at 31-03-2015	As at 31-03-2014
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Note : 1

SHARE CAPITAL

Authorised

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

Issued, Subscribed and fully paid-up

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

A. Reconciliation of the number of shares outstanding

Particulars	As at 31-03-2015		As at 31-03-2014	
	No. of Shares	Amount	No. of Shares	Amount
Equity Shares				
Number of shares at the beginning	46,00,000	460.00	16,81,400	168.14
Issued during the year - Preferential Allotment	-	-	29,18,600	291.86
Number of Shares at the end	46,00,000	460.00	46,00,000	460.00
Preference Shares				
Number of shares at the beginning	-	-	-	-
Issued during the year	30,00,000	300.00	-	-
Number of Shares at the end	30,00,000	300.00	-	-

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

Particulars	As at 31-03-2015		As at 31-03-2014	
	No. of Shares	% of holding	No. of Shares	% of holding
(I) Equity Shares				
Smt. B. SriSandhya Raju	28,65,330	62.29%	28,50,750	61.97%
Master Vikramaditya Raju, M/G Smt. B. SriSandhya Raju	4,18,600	9.10%	4,18,600	9.10%
(II) 7.50% Cumulative Redeemable Preference Shares				
Smt.B. SriSandhya Raju	30,00,000	100.00%	-	-

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

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

(Rs. in Lakhs)

Particulars	As at 31-03-2015	As at 31-03-2014
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Note : 2

RESERVES AND SURPLUS

Securities Premium Reserve

Balance as per Last Financial Statement	58.37	-	
Add: Premium on Issue of Equity Shares	-	58.37	58.37

General Reserve

Balance as per Last Financial Statement	272.42	22.42	
Add : Transfer from Surplus Account	100.00	250.00	
Less: Transfer to Depreciation Adjustment Account	87.01	-	272.42

Surplus in the Statement of Profit & Loss

Balance as per Last Financial Statement	209.82	91.30	
Add: Profit for the Year	90.84	433.10	
	300.66	524.40	

Less: Appropriations

Proposed Dividend	-	55.20	
Tax on Proposed Dividend	-	9.38	
Preference Dividend	9.49	-	
Tax on Preference Dividend	1.93	-	
Transfer to General Reserve	100.00	250.00	
	111.42	314.58	

189.24		209.82
533.02		540.61

Note : 3

LONG TERM BORROWINGS

Secured

Term Loan from Banks	7,814.34	10,638.53	
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Unsecured

Loan from Other Parties	560.00	-	
	8,374.34	10,638.53	

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

Year	Amount	Amount
2015-16	-	2,794.78
2016-17	2,824.89	2,799.68
2017-18	1,821.45	1,803.68
2018-19	1,598.00	1,618.68
2019-20	570.00	590.68
2020-21	500.00	520.68
2021-22	500.00	510.35
Total	7,814.34	10,638.53

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

Particulars	As at 31-03-2015	As at 31-03-2014
(Rs. in Lakhs)		
Note : 4		
DEFERRED TAX LIABILITY (NET)		
Deferred Tax Liability		
Tax effect on difference between book depreciation and depreciation under the Income Tax Act, 1961	3,107.00	3,302.00
Deferred Tax Asset		
Tax effect on unabsorbed depreciation under Income Tax Act, 1961	<u>(1,943.00)</u>	<u>(2,119.00)</u>
Net Deferred Tax Liability	<u><u>1,164.00</u></u>	<u><u>1,183.00</u></u>
Deferred Tax Assets calculated on the unabsorbed depreciation is based on the recent assessment orders & estimated depreciation loss calculated as per the provision of the Income Tax Act, 1961 for the current financial year.		
Note : 5		
Long Term Provision		
Provision for Employee Benefits	80.98	37.86
	<u>80.98</u>	<u>37.86</u>
Note : 6		
SHORT TERM BORROWINGS		
Secured		
Loan Repayable on Demand from Banks *	4,255.76	4,561.97
Unsecured		
Loan Repayable on Demand from Banks	1,905.87	1,448.91
Deposits [Refer to Note No. 26(6)]	-	20.10
Loan from Related Parties [Refer to Note No.26(7)]	<u>142.53</u>	<u>10.18</u>
	<u><u>6,304.16</u></u>	<u><u>6,041.16</u></u>
* Loan Repayable on Demand from Banks are secured by pari-passu first charge on the current assets of the Company and a pari-passu second charge on the fixed assets of the Company.		
Note : 7		
TRADE PAYABLES		
Trade Payables	368.77	221.06
	<u>368.77</u>	<u>221.06</u>
Note : 8		
OTHER CURRENT LIABILITIES		
Current Maturities of Long Term Debt	2,819.97	2,826.19
Interest Accrued but not Due on Borrowings	-	5.18
Unpaid Dividends	8.20	7.12
Liabilities for Other Finance	<u>530.19</u>	<u>382.51</u>
	<u><u>3,358.36</u></u>	<u><u>3,221.00</u></u>
Note : 9		
SHORT TERM PROVISIONS		
Provision for Employee Benefits	147.28	163.04
Provision for Taxation	185.85	165.85
Proposed Dividend	-	55.20
Provision for Tax on Proposed Dividend	-	9.38
Preference Dividend	9.49	-
Provision for Tax on Preference Dividend	<u>1.93</u>	<u>-</u>
	<u><u>344.55</u></u>	<u><u>393.47</u></u>

SANDHYA SPINNING MILL LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

Note : 10
FIXED ASSETS

(Rs. in Lakhs)

Particulars	Gross block		Depreciation			Net block					
	Cost as at 01-04-2014	Additions during the year	Sold / withdrawn during the year	Cost as at 31-03-2015	Up to 31-03-2014	For the year	Adjustment	With-drawn	Up to 31-03-2015	As at 31-03-2015	As at 31-03-2014
Tangible Assets											
Land	278.50	-	-	278.50	-	-	-	-	-	278.50	278.50
Buildings	2,533.25	17.51	-	2,550.76	655.06	85.97	28.36	-	769.39	1,781.37	1,878.19
Plant and machinery	19,329.92	129.16	11.67	19,447.41	6,590.24	719.45	-	3.67	7,306.02	12,141.39	12,739.68
Electrical machinery	981.15	13.50	0.56	994.09	352.03	148.62	34.24	0.19	534.70	459.39	629.12
Furniture & Office Equipments	139.02	2.22	0.18	141.06	69.86	7.48	24.41	0.17	101.58	39.48	69.16
Vehicles	36.56	-	-	36.56	7.88	4.51	-	-	12.39	24.17	28.68
Total - Tangible Assets	23,298.40	162.39	12.41	23,448.38	7,675.07	966.03	87.01	4.03	8,724.08	14,724.30	15,623.33
Total - Tangible Assets for Previous Year	22,924.88	382.47	8.95	23,298.40	6,530.70	1,148.78	-	4.41	7,675.07	15,623.33	16,394.18
Intangible Assets											
Computer Software	25.70	-	-	25.70	24.42	-	-	-	24.42	1.28	1.28
Total - Intangible Assets for Previous Year	25.70	-	-	25.70	24.12	0.30	-	-	24.42	1.28	1.58

Adjustment made during the year in Depreciation represents residual value of assets, whose remaining useful life is nil (Refer to Note No. 26 (10)).

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

(Rs. in Lakhs)

Particulars	As at 31-03-2015	As at 31-03-2014
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Note : 11

NON-CURRENT INVESTMENTS

A. Investment in Equity Instruments, Non - Trade

Name of the Company	No.of. Shares	Total face Value Rs.	Cost	Cost
a) Quoted				
Rajapalayam Mills Limited	500	0.050	0.69	0.69
Sub-Total (A)			0.69	0.69
b) Unquoted				
(I) SHARES OF JOINT STOCK COMPANIES :				
FULLY PAID-UP				
Ontime Industrial Services Limited	20,000	2.000	2.00	2.00
Ramco Windfarms Limited	3,00,000	3.000	3.00	3.00
Ramco Group Employees' Co-operative Stores Limited	50	0.005	0.01	0.01
Suryadev Alloys Limited	1,350	0.010	-	1.84
Sub-Total (B)			5.01	6.85
Aggregate Value of Investments (A+B)			5.70	7.54
Aggregate Value of:				
Quoted Investments - Cost			0.69	0.69
Market Value			1.48	1.15
Unquoted Investments - Cost			5.01	6.85

Note : 12

LONG TERM LOANS AND ADVANCES

Unsecured, considered good

Security Deposits	187.09	146.98
	187.09	146.98

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

Particulars	As at 31-03-2015	As at 31-03-2014
(Rs. in Lakhs)		
Note : 13		
INVENTORIES		
Finished Goods	586.95	799.93
Rawmaterials - Cotton & Cotton Waste	2,608.35	3,071.10
Stores and Spares, Fuel and Packing Materials	42.93	54.07
Work-in-Progress	330.14	408.13
	<u>3,568.37</u>	<u>4,333.23</u>
Details of Work-in-Progress		
Cotton Yarn	330.14	408.13
	<u>330.14</u>	<u>408.13</u>
Mode of valuation of inventories are disclosed in Accounting Policies in Note 25(7).		
Note : 14		
TRADE RECEIVABLES		
Unsecured, considered good		
Trade Receivables less than six months	1,682.21	1,573.23
	<u>1,682.21</u>	<u>1,573.23</u>
Note : 15		
CASH AND BANK BALANCES		
Cash on Hand	2.10	1.95
Balance with Bank		
In Current Account	50.25	105.86
In Deposit Account for Margin Money	102.83	11.62
In Unclaimed Dividend Warrant Account	8.20	7.12
Cheques on hand	7.83	8.21
	<u>171.21</u>	<u>134.76</u>
Note : 16		
SHORT TERM LOANS AND ADVANCES		
Unsecured, considered good		
Advance to Suppliers / Others	6.86	27.69
Advance Income -Tax paid & TDS	185.92	183.82
	<u>192.78</u>	<u>211.51</u>
Note : 17		
OTHER CURRENT ASSETS		
Accrued Income	609.68	572.59
Prepaid Expenses	65.97	59.36
Other Current Assets	74.57	57.79
	<u>750.22</u>	<u>689.74</u>

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

Particulars	(Rs. in Lakhs)			
	As at 31-03-2015		As at 31-03-2014	
Note : 18				
REVENUE FROM OPERATION				
Sale of Products				
Yarn	17,106.18		22,838.69	
Waste Cotton	<u>214.94</u>	17,321.12	<u>227.08</u>	23,065.77
Other operating revenues				
Export Incentive		123.50		189.21
Textile Processing Charges Received		1.76		0.07
		<u>17,446.38</u>		<u>23,255.05</u>
Note : 19				
OTHER INCOME				
Interest Received		15.84		16.40
Dividend Income		0.01		0.03
Industrial Promotion Assistance		1.01		2.10
Miscellaneous Income		1.81		2.56
Exchange Gain on Foreign Currency Transactions		3.95		-
		<u>22.62</u>		<u>21.09</u>
Note : 20				
COST OF MATERIALS CONSUMED				
Rawmaterials Consumed				
Cotton & Cotton Waste		9,244.81		9,180.16
		<u>9,244.81</u>		<u>9,180.16</u>
Note : 21				
CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS				
Opening Stock				
Finished Goods	799.93		736.53	
Work-in-Progress	<u>408.13</u>	1,208.06	<u>313.78</u>	1,050.31
Closing Stock				
Finished Goods	586.95		799.93	
Work-in-Progress	<u>330.14</u>	917.09	<u>408.13</u>	1,208.06
Net Decrease/(Increase) in Stock		<u>290.97</u>		<u>(157.75)</u>

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

Particulars	As at 31-03-2015	As at 31-03-2014
(Rs. in Lakhs)		
Note : 22		
EMPLOYEE BENEFIT EXPENSES		
Salaries , Wages and Bonus	981.28	917.45
Contribution to Provident and Other Funds	176.60	115.81
Staff and Labour Welfare Expenses	71.89	63.82
	<u>1,229.77</u>	<u>1,097.08</u>
Note : 23		
FINANCE COSTS		
Interest Expenses	1,807.28	1,819.51
Exchange Loss on Foreign Currency Transactions	11.22	6.02
Other Borrowing Costs	6.84	7.61
	<u>1,825.34</u>	<u>1,833.14</u>
Note : 24		
OTHER EXPENSES		
MANUFACTURING EXPENSES		
Power and Fuel	1,998.57	1,741.11
Packing Materials Consumptions	257.88	226.45
Repairs to Buildings	34.82	40.04
Repairs to Plant and Machinery	337.08	306.31
Repairs - General	244.48	210.71
Textile Processing Charges Paid	43.70	1.64
	<u>2,916.53</u>	<u>2,526.26</u>
Establishment Expenses		
Managing Director's Remuneration	135.40	27.88
Rates and Taxes	42.67	23.16
Insurance	18.30	21.21
Postage and Telephone	6.54	5.80
Printing and Stationery	4.76	4.78
Travelling Expenses	20.80	33.39
Vehicle Maintenance	19.68	20.31
Directors Sitting Fees	6.75	1.05
Rent	20.89	18.81
Audit and Legal Expenses	10.11	11.38
Corporate Social Responsibility Expenses	2.45	0.18
Loss on Sales of Assets	0.72	0.91
Miscellaneous Expenses	73.01	61.92
	<u>362.08</u>	<u>230.78</u>
Selling Expenses		
Sales Commission	189.54	231.43
Export Expenses	41.34	119.18
Other Selling Expenses	94.10	119.07
	<u>324.98</u>	<u>469.68</u>
	<u>3,603.59</u>	<u>3,226.72</u>

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

Note : 25

SIGNIFICANT ACCOUNTING POLICIES

1. Basis of preparation and presentation of financial statements

- (i) The financial statements have been prepared under the historical cost convention and in accordance with the generally accepted accounting principles in India, and in compliance of the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with the Rule 7 of the Companies(Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 1956 and Companies Act, 2013, as applicable.
- (ii) The accounting policies that are adopted in preparation of the financial statements are consistently followed as in the previous year except for change in the accounting policy for depreciation, as adopted consistently by the Company.
- (iii) Pursuant to the notification of Schedule II to the Companies Act, 2013 for computation of Depreciation with effect from 01-04-2014, the Company revised the estimated useful life of its assets to align the useful life with those specified in Schedule II. The depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less 5% being its residual value. The carrying amount of the asset whose useful life as on 01-04-2014 is Nil, after retaining the residual value, is adjusted in the General Reserve.
- (iv) Assets individually costing Rs. 5,000/- or less that were fully depreciated earlier in the year of purchase, are now depreciated based on the useful life considered by the Company for the respective category of assets.
- (v) The financial statements are presented in Indian Rupees and the amounts are rounded to the nearest Lakhs with two decimals, excepted as stated otherwise.
- (vi) The Company generally follows mercantile system of accounting and recognizes significant items of income and expenditure on accrual basis.
- (vii) The Company has considered its operating cycle as 12 months for the purpose of Current or Non-current classification of assets and liabilities.
- (viii) The previous year figures are regrouped / restated wherever necessary.

2. Use of Estimates

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

3. Tangible Fixed Assets

- (i) Tangible Fixed Assets are stated at cost of acquisition (net of CENVAT/VAT wherever applicable) less accumulated depreciation/amortisation and impairment losses if any, except freehold land which is carried at cost less impairment losses if any, except freehold land which is carried at cost less impairment losses if any. The cost comprises purchase price, borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the asset beyond its previously assessed standard of performance. All other expenses on fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.
- (ii) Fixed assets acquired in full or part exchange for another asset are recorded at the fair market value or the net book value of the asset given up, adjusted for any balancing cash transaction. Fair market value is determined either for the assets acquired or asset given up, whichever is more clearly evident.
- (iii) Gains or losses arising from disposal of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of such assets are recognised in the statement of profit and loss.
- (iv) Projects / tangible fixed assets which are not yet ready for their intended use are carried at cost, including related expenses including attributable interest are recognised as Capital Work-in-Progress.

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

4. Intangible Assets

The cost of computer software that are installed are accounted at cost for acquisition of such software and are carried at cost less accumulated amortisation and impairment, if any. Internally generated software is not capitalized and the expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

5. Investments

All Investments being long term & non-trade are stated at cost less permanent diminution in value, if any.

6. Investment Property

- (i) An investment in land or buildings, which are not intended to be occupied substantially for use by, or in the operations of the Company, is classified as investment property. Investment properties are stated at cost, net of accumulated depreciation and accumulated impairment loss if any.
- (ii) Depreciation on building component of investment property, which are held for rental to others, is calculated on straight-line basis using the rate prescribed under Schedule II to the Companies Act, 2013.
- (iii) Gains or losses arising from disposal of investment properties, measured as the difference between the net disposal proceeds and the carrying amount of such investment properties are recognised in the statement of profit and loss.

7. Inventories

- (i) Raw materials, stores, spares, packing materials etc., are valued at cost including the cost incurred in bringing the inventories to their present location and condition.
- (ii) Work-in-progress is valued at cost including the cost of conversion. The cost of conversion includes direct costs.
- (iii) Finished goods are valued at cost or net realisable value whichever is lower. Cost includes cost of conversion and other costs incurred in bringing the inventory to their present location and condition.

8. Revenue recognition

- (i) Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.
- (ii) Sale of products is recognised when the significant risks and rewards of ownership of the goods have been passed to the buyer. Sale value excludes Excise duty, Education cess, Secondary and Higher education cess, trade discounts, VAT/CST and returns.
- (iii) Industrial promotion assistance (IPA) is recognised when the Company's right to receive the same is established with reasonable certainty.
- (iv) Power Generated from Wind Mills:
The monetary value of the power generated at wind farms that are consumed at Mills under wheeling and banking arrangement with TANGEDCO are not treated as revenue but have been set off against the cost of Power & Fuel. The value of unadjusted units available if any, at the end of the financial year and sold to the Electricity Board at an agreed rate / tariff rate are recognised and shown as Income from Wind Mills.
- (v) Dividend income is recognised when the Company's right to receive dividend is established by the reporting date.
- (vi) Interest income is recognised on time proportion basis.
- (vii) Scrap Sales does not include Excise duty, Education Cess, Secondary and Higher education cess, VAT / CST.
- (viii) Export incentives are recognised on an accrual basis against goods exporters.

9. Employee Benefits

- (i) Short-term employee benefit viz., Salaries and Wages, are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss for the year in which the related service is rendered.
- (ii) Defined Contribution plan viz., Contributions to Provident Fund and Superannuation Fund are recognized as an expense in the Statement of Profit and Loss for the year in which the employees have rendered services.

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

- (iii) The Company contributes to Provident fund administered by the Government on a monthly basis at 12% of employee's basic salary.
- (iv) The Company also contributes for superannuation a sum equivalent to 15% of the employee's eligible annual basic salary subject to a maximum of Rs. 1 Lakh per employee to "Sandhya Spinning Mill Limited Officer's Superannuation Fund" administered by trustees and managed by LIC of India.
There are no other obligations other than the above defined contribution plans.

(v) **Defined Benefit Plan:**

Gratuity:

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

Leave Encashment:

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

10. Provision, Contingent Liabilities and Contingent Assets

- (i) Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources in respect of which a reliable estimate can be made. Such provisions are not discounted to their present value except relating to retirement benefits. These provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates.
- (ii) Un-provided contingent liabilities are disclosed in the Financial Statements. Contingent Assets are not recognized.
- (iii) Insurance claims are accounted for on the basis of claims admitted or expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

11. Borrowing Costs

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

12. Government Subsidy / Grant

- (i) Revenue related grants are recognised on accrual basis wherever there is reasonable assurance that the grant will be received and all attaching conditions will be complied with.
- (ii) Interest subsidy under Technology Up-gradation Fund Scheme (TUFS) is recognized on accrual basis and credited to the Interest and Finance cost.
- (iii) Power Subsidy under Industrial Investment Promotion Policy of Andhra Pradesh is credited to the Power & Fuel cost.
- (iv) Other subsidies under Industrial Investment Promotion Policy of Andhra Pradesh are credited to Industrial Promotion Assistance under Note No. 19 "Other Income".

13. Foreign Currency Transactions

- (i) Transactions in Foreign Currency are accounted at the exchange rates prevailing at the time of transaction. The difference in exchange rates arising on the settlement of monetary items are recognized as income or expenses in the Statement of Profit and Loss.

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

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

14. Earnings per share

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

15. Income tax

- 1. The tax provision is considered as stipulated in Accounting Standard-22 (Accounting for Taxes on income) and includes current and deferred tax.
- 2. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income tax Act, 1961 and other applicable tax laws.
- 3. The Company considered credit entitlement of Minimum Alternate Tax (MAT) where it is reasonably certain that this will be available for setoff in accordance with the provisions of the Income Tax Act, 1961.
- 4. Deferred tax is recognized on timing difference between taxable income and the accounting income that originates in one period and is capable of reversal in one or more subsequent periods. It is measured using the tax rates and the tax laws enacted or substantively enacted as the reporting date.
- 5. Current and deferred tax relating to items directly recognized in reserves is recognized in reserves and not in the Statement of Profit and Loss.

16. Segment Reporting

- (i) The company prepares its segment information in conformity with accounting policies adopted for preparing and presenting the financial statements of the company as a whole.
- (ii) The Company identifies business segment as the primary segment. Under the primary segment, there are two reportable segments viz., Textiles and Power generation from Windmills.
- (iii) Segments were identified considering the nature of the products, the differing risks and returns as per Accounting Standard -17 (Segment Reporting). The inter-segment transfers of units of power from windmills are recognized at the applicable tariff rates of the electricity boards for the purpose of segment reporting as per the relevant accounting standard.
- (iv) Costs are allocated to the respective segment based upon the actual incidence of respective cost. Unallocated items include general other income and expenses which are not allocated to any business segment.

17. Cash flow statement

- (i) Cash flows are presented using indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flow from operating, investing and financing activities of the company is segregated based on the available information.
- (ii) Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances, highly liquid investments that are readily convertible into cash.

18. Depreciation & Amortization

- (i) Depreciation has been provided for Tangible assets on straight-line basis as per the useful life prescribed in Schedule II to the Companies Act, 2013. Till 31-03-2014, the Company had followed Straight Line / Written down value method of depreciation for various categories of Fixed Assets in accordance with rate specified under Schedule XIV of the Companies Act, 1956. Hence there is a change in method of charging depreciataion. the impact of the change has been disclosed in Note No. 26(10).
 - (ii) Intangible assets are amortized over their estimated useful life on straight line method. This is included under "Depreciation &Amortization".
 - (iii) The estimated useful life of the intangible assets and the amortization period are reviewed at the end of each financial year to reflect the changed pattern, if any.
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SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF FINANCIAL STATEMENTS

Note 26

OTHER DISCLOSURES

(Rs. in Lakhs)

	As at 31-03-2015	As at 31-03-2014		
1. Contingent Liabilities				
Liability on Letter of Credit opened				
Capital Goods	NIL	NIL		
Others	NIL	NIL		
2. Commitments				
(i) Estimated amount of contracts remaining to be executed on capital account not provided	NIL	NIL		
(ii) Other Commitments:				
Liability on guarantees given by the bankers	NIL	NIL		
Liability on guarantees given to the bankers	NIL	NIL		
Disputed VAT Liability	21.24	21.24		
3. Sales Tax Assessment upto year ended 31st March, 2010 has been completed.				
4. Income tax assessments have been completed upto the Accounting Year ended on 31-03-2012 i.e., Assessment year 2012-13. The Company has preferred Appeals before Appellate Authorities in respect of Sec.14A disallowance of Rs.0.68 Lakhs.				
5. In respect of Electricity matters, Appeals / Writ petition are pending with TNERC / APTEL / High Court for various matters for which no provision has been made in the books of accounts to the extent of Rs.197.97 Lakhs (P.Y. Rs. 180.51 Lakhs).				
In the opinion of the management, there may not be any tax liability on the above matters mentioned in point no. 4 and 5 above.				
6. An amount of Rs. 20.10 Lakhs was outstanding at the beginning of the year towards Deposits accepted from public under the erstwhile Companies Act, 1956 and the Company has repaid all the Deposits.				
7. Details of Loans from Directors under "Loan from Related Parties" are:				
	Closing Balance as on		Interest Paid	
	31-3-2015	31-3-2014	2014-15	2013-14
Smt. P.V. Nirmala Raju	2.53	2.74	0.29	1.00
Smt. B. SriSandhya Raju	140.00	7.44	15.24	10.99
	142.53	10.18	15.53	11.99
8. Auditors' remuneration (excluding Service Tax) & expenses:			2014-15	2013-14
A) Statutory Auditors:				
a. As Auditors - Fees			0.75	0.75
b. In other Capacities				
(i) For Tax Audit			0.40	0.40
(ii) Certification Work Fees			0.60	0.57
(iii) VAT Audit Fees			0.30	0.30
(iv) Expenses reimbursed			0.21	0.20
			<u>2.26</u>	<u>2.22</u>
B) Cost Auditors:				
As Auditor - Fees			Nil	0.48
			<u>2.26</u>	<u>2.70</u>
9. There are no dues to micro, small and medium enterprises as at 31-03-2015 (P.Y. Rs. Nil). This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.				

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

10. Till 31-03-2014, the Company had followed Straight Line / Written down value method of depreciation for various categories of Fixed Assets in accordance with rates specified under Schedule XIV of the Companies Act, 1956 prevailing at the time of acquisition of assets. Pursuant to implementation of Schedule II of the Companies Act, 2013 with effect from 01-04-2014, the Company has calculated the depreciation on all the assets under Straight Line Method. Accordingly, the value of assets whose useful life is exhausted as on 01-04-2014, as per the new Act, amounting to Rs. 87.01 Lakhs had been credited to the Depreciation Reserves and has been adjusted in General Reserve.
11. The unadjusted units generated from the Windmills as on 31-03-2015 are 3.26 Lakhs (PY. 6.49 Lakhs KWH) and its monetary value of Rs. 21.72 Lakhs (PY. Rs.37.50 Lakhs) has been included in Other Current Assets, which will be adjusted in the forthcoming months.
12. As per Accounting Standard -15 (Employee Benefits), the disclosures of employee benefits as defined in the Accounting Standard are given below:

Defined Contribution Plan:	(Rs. in Lakhs)	
	2014-15	2013-14
Employer's Contribution to Provident Fund	84.38	25.17
Employer's Contribution to Superannuation Fund	2.37	2.26

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

Reconciliation of opening and closing balances of defined benefit plan:

Defined Benefit Obligation as on 01-04-2014	111.65	105.00
Current Service Cost	13.47	13.07
Past Service Cost	Nil	Nil
Interest Cost	9.70	8.00
Actuarial (gain) / loss	50.46	2.73
Benefits paid	(-) 9.97	(-) 17.15
Defined Benefit obligation as on 31-03-2015	175.31	111.65

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

Fair value of plan assets as on 01.04.2014	98.69	92.05
Expected return on plan assets	10.07	7.32
Actuarial gain / (loss)	(-) 0.66	0.32
Employer Contribution	64.23	16.15
Benefits paid	(-) 9.97	(-) 17.15
Fair value of plan assets as on 31.03.2015	162.36	98.69

Actual Return of plan assets:

Expected return of plan assets	10.07	7.32
Actuarial gain / (loss) on plan assets	(-) 0.66	0.32
Actual return on plan assets	9.41	7.64

Reconciliation of fair value of assets and obligations:

Fair value of plan assets	162.36	98.69
Present value of obligation	175.31	111.65
Difference	12.95	12.96
Unrecognized transitional liability	Nil	Nil
Amount recognized in Balance Sheet	12.95	12.96

Expense recognized during the year:

Current Service Cost	13.47	13.06
Interest Cost	9.70	8.00
Expected return on plan assets	(-) 10.07	(-) 7.32
Actuarial (gain) / loss	51.11	2.41
Past service cost-non-vested benefits	Nil	Nil
Past service cost-vested benefits	Nil	Nil
Net Cost	64.21	16.15

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

	2014-15	2013-14
(Rs. in Lakhs)		
Investment Details as on 31-03-2015:		
GOI Securities	Nil	Nil
State Government Securities	Nil	Nil
High Quality Corporate Bonds	Nil	Nil
Funds with LIC	100%	100%
Bank balance	Nil	Nil
Others	Nil	Nil
Total	100%	100%
Actuarial assumptions:		
Indian Assured Lives (2006-08) Ultimate Table applied for Service Mortality rate	Yes	Yes
Discount rate p.a.	7.80%	9.10%
Expected rate of return on plan assets p.a.	8.00%	8.00%
Rate of escalation in salary p.a.	6.00%	6.00%
Details of the Leave encashment plan (Un-Funded) are as follows:		
Reconciliation of opening and closing balances of obligation:		
Defined Benefit Obligation as on 01.04.2014	37.86	33.60
Current Service Cost	5.94	5.36
Interest Cost	3.23	2.61
Actuarial (gain) / loss	38.60	0.62
Benefits paid	(-) 4.65	(-) 4.33
Defined Benefit obligation as on 31.03.2015	80.98	37.86
Reconciliation of opening and closing balances of fair value of plan assets:		
Fair value of plan assets as on 01-04-2014	Nil	Nil
Expected return on plan assets	Nil	Nil
Actuarial gain / (loss)	Nil	Nil
Employer Contribution	4.65	4.33
Benefits paid	(-) 4.65	(-) 4.33
Fair value of plan assets as on 31-03-2015	Nil	Nil
Actual Return of plan assets:		
Expected return of plan assets	Nil	Nil
Actuarial gain / (loss) on plan assets	Nil	Nil
Actual return on plan assets	Nil	Nil
Reconciliation of fair value of Assets and obligations		
Fair value of plan assets	Nil	Nil
Present value of obligation	80.98	37.86
Difference	80.98	37.86
Unrecognized past service cost non vested benefits	Nil	Nil
Amount recognized in Balance Sheet	80.98	37.86
Expense recognized during the year:		
Current Service Cost	5.94	5.36
Interest Cost	3.23	2.61
Expected return on plan assets	Nil	Nil
Actuarial (gain) / loss	38.60	0.61
Past service cost-non-vested benefits	Nil	Nil
Past service cost-vested benefits	Nil	Nil
Net Cost	47.77	8.58
Investment Details as on 31-03-2015:		
GOI Securities	Nil	Nil
State Government Securities	Nil	Nil
High Quality Corporate Bonds	Nil	Nil
Funds with LIC	Nil	Nil
Bank balance	Nil	Nil
Others	Nil	Nil
Total	Nil	Nil

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

(Rs. in Lakhs)

2014-15 2013-14

Actuarial assumptions

Indian Assured Lives (2006-08) Ultimate Table applied for Service Mortality rate	Yes	Yes
Discount rate p.a.	7.80%	9.10%
Expected rate of return on plan assets p.a.	NA	NA
Rate of escalation in salary p.a.	6.00%	6.00%
Attrition Rate	1.00%	1.00%

13. The Segment Information for the year ended 31st March, 2015

Particulars	Textiles		Power from Windmills		Total	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
REVENUE						
External Sales (Net)	17,444.62	23,254.98	-	-	17,444.62	23,254.98
Inter Segment Sale	-	-	909.41	937.22	909.41	937.22
Total Sales	17,444.62	23,254.98	909.41	937.22	18,354.03	24,192.20
Other Income	24.38	21.15	-	-	24.38	21.15
Total Revenue	17,469.00	23,276.13	909.41	937.22	18,378.41	24,213.35
RESULT						
Segment Result	(141.14)	282.75	217.14	692.95	76.00	975.70
Unallocated Income					15.84	16.40
Unallocated Expenses					-	-
Operating Profit					91.84	992.10
Interest Expenses					1,825.34	1,833.14
Depreciation					966.03	1,149.08
Interest Income					15.84	16.40
Provision for Taxation					-	-
Current Tax					20.00	160.00
Deferred Tax	(19.00)	399.00			(19.00)	399.00
Profit from ordinary activities	90.84	433.10			90.84	433.10
Exceptional Items					-	-
Net Profit					90.84	433.10
OTHER INFORMATION						
Segment Assets	17,812.90	19,137.33	3,475.28	3,599.35	21,288.18	22,736.68
Unallocated Assets					-	-
Total Assets					21,288.18	22,736.68
Segment Liabilities					18,831.16	20,553.06
Unallocated Liabilities					1,164.00	1,183.00
Total Liabilities					19,995.16	21,736.06
Capital Expenditure	162.39	382.47			162.39	382.47
Unallocated Capital Expenditure					-	-
Depreciation	760.37	878.88	205.66	270.19	966.03	1,149.07
Unallocated Depreciation Expenditure					-	-

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

		(Rs. in Lakhs)	
		2014-15	2013-14
14. Earning per Share			
Particulars			
Net Profit after tax	(A)	90.84	433.10
Number of Equity Shares - in lakhs	(B)	46.00	46.00
Basic & Diluted earnings per share for Rs.10/- each - in Rupees	(A)/(B)	1.97	9.42

15. RELATED PARTY TRANSACTIONS

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

(a) Key Management Personnel & Relatives.

Shri. P.R. Ramasubrahmaneya Rajha, Chairman
Smt. B. SriSandhya Raju, Managing Director
Smt. R. Sudarsanam, Director
Shri. P.R. Venketrama Raja, Director
Smt. P.V. Nirmala Raju, Director

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

(i) Companies

M/s. The Ramco Cements Limited
M/s. Rajapalayam Mills Limited
M/s. Sri Vishnu Shankar Mill Limited
M/s. The Ramaraju Surgical Cotton Mills Limited
M/s. Thanjavur Spinning Mill Limited
M/s. Ramco Industries Limited
M/s. Ramco Systems Limited
M/s. Ramco Windfarms Limited
M/s. Sri Harini Textiles Limited

(ii) Public Trust

P.A.C.R. Sethurammamma Charity Trust

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

(a) Amount paid to Key Managerial Personnel:

Name of the Related Party	Amount		Nature of Payment
	2014-15	2013-14	
Shri P.R. Ramasubrahmaneya Rajha	1.35	0.20	Sitting Fees
Smt. B. SriSandhya Raju	135.40	27.88	Managerial Remuneration
	15.24	10.99	Interest Paid
	0.15	Nil	Sitting Fees
Smt. R. Sudarsanam	0.75	0.20	Sitting Fees
Shri P.R. Venketrama Raja	0.15	0.20	Sitting Fees
Smt. P.V. Nirmala Raju	0.29	1.00	Interest Paid
	0.15	Nil	Sitting Fees

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

(Rs. in Lakhs)

(b) Inter Corporate Deposits Accepted:

Name of the Related Party	Maximum Outstanding		Outstanding as on	
	2014-15	2013-14	31-03-2015	31-03-2014
Pranahita Power Generation Private Limited	560.00	NIL	560.00	NIL
Rajapalayam Mills Limited	NIL	186.00	NIL	NIL

(c) Interest paid on Inter Corporate Deposits Accepted

Name of the Related Party	Interest		Outstanding as on	
	2014-15	2013-14	31-03-2015	31-03-2014
Pranahita Power Generation Private Limited	36.95	NIL	NIL	NIL
Rajapalayam Mills Limited	NIL	14.61	NIL	NIL

(d) Corporate Guarantee Availed:

Name of the Related Party	2014-15	2013-14
The Ramco Cements Limited	3,438.00	5,938.00
Rajapalayam Mills Limited	12,346.00	12,346.00

(e) Good Supplied / Services rendered:

Name of the Related Party	Value		Outstanding as on	
	2014-15	2013-14	31-03-2015	31-03-2014
The Ramaraju Surgical Cotton Mills Limited	43.65	78.88	Nil	Nil
Sri Vishnu Shankar Mill Limited	200.18	0.13	Nil	Nil
Rajapalayam Mills Limited	14.73	1,158.31	Nil	Nil
Thanjavur Spinning Mill Limited	Nil	112.55	Nil	Nil
Ramco Industries Limited	0.14	0.09	Nil	Nil
Sri Harini Textiles Limited	Nil	16.59	Nil	Nil

(f) Cost of Goods Purchased & Services availed:

Name of the Related Party	Value		Outstanding as on	
	2014-15	2013-14	31-03-2015	31-03-2014
The Ramaraju Surgical Cotton Mills Limited	19.49	104.66	Nil	Nil
Sri Vishnu Shankar Mill Limited	21.45	147.29	Nil	Nil
Rajapalayam Mills Limited	314.81	5,432.24	Nil	Nil
Thanjavur Spinning Mill Limited	203.37	118.14	Nil	Nil
Ramco Industries Limited	260.61	764.81	Nil	Nil
The Ramco Cements Limited	273.36	247.23	Nil	Nil
Ramco Systems Limited	8.00	5.20	Nil	Nil
Ramco Windfarms Limited	110.98	NIL	Nil	Nil

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

(g) (i) Security Deposit given:

(Rs. in Lakhs)

Name of the Related Party	Interest free Security Deposit Outstanding		Nature of Transaction
	2014-15	2013-14	
The Ramco Cements Limited (TRCL)	12.00	12.00	3,21,600 Shares of Andhra Pradesh Gas Power Corporation Limited (APGPCL) purchased by TRCL are being held jointly by the Company & TRCL. The Joint Ownership entitles the Company to purchase from APGPCL. To have the Joint Ownership of above shares, the Company has deposited this amount with TRCL.

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

Name of the Related Party	Amount Paid		Nature of Transaction
	2014-15	2013-14	
The Ramco Cements Limited	1.91	3.60	The Company is paying 10 paise per unit to TRCL for the power supplied by APGPCL to the Company by virtue of above Joint Ownership of the Shares.

(i) Dividend Received

Name of the Related Party	2014-15	2013-14
Rajapalayam Mills Limited	0.01	0.03

(j) Rent Paid

Name of the Related Party	2014-15	2013-14
Rajapalayam Mills Limited	20.89	18.81

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

(a) Value of Imports calculated on CIF Value

	2014-15	2013-14
Raw Materials	334.69	1,225.66
Components and Spares	17.83	51.34
Capital Goods	71.18	9.13

(b) Expenditure in Foreign Exchange during the year

	2014-15	2013-14
Total Value	434.90	1,279.02

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

(c) Value of Raw Materials, Stores & Spare parts consumed (Rs. in Lakhs)

	2014-15		2013-14	
	Amount	%	Amount	%
Raw Materials				
Imported	630.38	7	40.59	1
Indigenous	8,614.49	93	9,139.57	99
Spares and Components				
Imported	23.61	3	47.12	7
Indigenous	798.37	97	602.08	93

(d) Earnings in Foreign exchange (FOB Value)

	2014-15	2013-14
Export on Yarn	1,381.32	7,365.14

As per our report annexed
For N.A. JAYARAMAN & CO.,
Chartered Accountants
FRN-001310S
R. PALANIAPPAN
Proprietor
Membership No. 205112
Rajapalaiyam,
21st May, 2015.

P.R. RAMASUBRAHMANEYA RAJHA
Chairman

SMT. B. SRISANDHYA RAJU
Managing Director

SMT. R. SUDARSANAM
P.R. VENKETRAMA RAJA
SMT. P.V.NIRMALA RAJU
N.K. SHRIKANTAN RAJA
S. KANTHIMATHINATHAN
Directors

PROXY FORM

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

SANDHYA SPINNING MILL LIMITED

[CIN : U17111TN1994PLC027037]

Regd. Office: 47, P.S.K. Nagar, Rajapalayam, Tamil Nadu, Pin : 626 108.

Name of the Member(s) :

Registered address :

E-mail ID :

Folio No./DP ID-Client ID:

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

1. Name : Address :

E-mail ID : Signature :, or failing him

2. Name : Address :

E-mail ID : Signature :, or failing him

3. Name : Address :

E-mail ID: Signature :

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 21st Annual General Meeting of the Company, to be held on Wednesday, the 12th August, 2015 at 11.00 A.M. at P.A.C. Ramasamy Raja Centenary Community Hall, Sudarsan Gardens, P.A.C. Ramasamy Raja Salai, Rajapalayam - 626 108, Tamil Nadu and at any adjournment thereof in respect of such resolutions as are indicated below :

Resolution No.	Resolution
Ordinary Business:	
1	Adoption of Financial Statements for the year ended 31 st March, 2015.
2	Appointment of Smt. R. Sudarsanam, as Director, who retires by rotation.
3	Appointment of Smt. P.V. Nirmala Raju, as Director, who retires by rotation.
4	Ratification of appointment of Shri R. Palaniappan, Prop. M/s. N.A. Jayaraman & Co., Chartered Accountants as auditors.
Special Business:	
5	Ratification of fee payable to M/s. RKMS & Associates, Practising Cost Accountants, appointed as Cst Auditor of the Company for the financial year 2015-16.

Signed this day of 2015

Signature of Shareholder :

Signature of Proxy holder(s) :

Affix
Revenue
Stamp

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



A view of the "Nestling Blue-i" scan contamination removing machine installed in our Unit – II Blowroom at Rajapalayam.



Free Medical Check-up conducted for workers on the eve of 121st Founder's day celebrations.



SANDHYA SPINNING MILL LIMITED
RAJAPALAIYAM