

MYSORE STONEWARE PIPES AND POTTERIES LIMITED

Regd. Office: No. 452, 11th Cross, 6th Main, Sadashivanagar, Bangalore - 560080, Karnataka
Corporate Identification Number: U26913KA1937PLC000197, **Email Id:** msppoffice@gmail.com,
Phone no.: 080-23614696, **Fax:** 080-23614697, **Website:** mysorestonewarepipes.com

NOTICE

To,
The Members,

NOTICE is hereby given that the 79th Annual General Meeting of the members of **Mysore Stoneware Pipes And Potteries Limited** will be held on Monday, the **27th Day of June, 2016 at 11.00 a.m at Hotel Bangalore International, 2A-2B, Crescent Road, High Grounds, Near Race Course, Bengaluru, Karnataka – 560001, India**, to transact the following businesses:

ORDINARY BUSINESS:

1. Adoption of Financial Statements:

To receive, consider and adopt the Financial Statements of the Company for the year ended 31st March, 2016, including the audited Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss and Cash flow statement for the year ended on that date along with notes / schedules thereon, the reports of the Board of Directors (the Board) and Auditor's Report thereon.

2. Declaration of dividend:

To declare a final dividend of Rs. 2.50/- (Two Rupees and Fifty Paise) per equity share fully paid-up, for the year ended 31st March, 2016.

3. Appointment of Director:

To appoint a Director in place of Mr. Rajiv Harshavardhan Ramahalli (DIN: 00473445) who retires by rotation and being eligible, offers himself for reappointment.

4. Appointment of Director:

To appoint a Director in place of Mr. Casiker Vivekanand (DIN: 00822219) who retires by rotation and being eligible, offers himself for reappointment.

5. Appointment of Director:

To appoint a Director in place of Mr. Sanjay Jayatsen (DIN: 02285192) who retires by rotation and being eligible, offers himself for reappointment.

6. Re-Appointment of Statutory Auditors:

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:-

“RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, M/s. N. Nityananda & Co., Chartered Accountants (Firm Registration No: **20275**), be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting of the Company at such remuneration plus service tax and out-of-pocket expenses, as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

SPECIAL BUSINESS:

7. Appointment of Mr. Karthik Ramohalli Krishn Rao as Managing Director:

To consider and, if thought fit, to pass with or without modification(s) the following resolution as an Ordinary resolution;

“RESOLVED THAT pursuant to the provisions of Sections 196, 197 and other applicable provisions, if any, of the Companies Act, 2013, (“Act”), as amended or re-enacted from time to time, read with Schedule V of the Act and Articles of Association of the Company, the Company hereby approves the appointment of Mr. Karthik Ramohalli Krishn Rao (DIN 00073462) as Managing Director of the Company for a period of five years with effect from September 17, 2015 with authority to the Board of Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Board of Directors and Mr. Karthik Ramohalli Krishn Rao.

RESOLVED FURTHER THAT the office of Mr. Karthik Ramohalli Krishn Rao, Managing Director, shall not be subject to retirement by rotation.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this resolution.”

8. Appointment of Mr. Rajiv Harshavardhan Ramahalli as Executive Director:

To consider and, if thought fit, to pass with or without modification(s) the following resolution as an Ordinary resolution;

“RESOLVED THAT pursuant to the provisions of Sections 196, 197 and other applicable provisions, if any, of the Companies Act, 2013, (“Act”), as amended or re-enacted from time to time, read with

Schedule V of the Act and Articles of Association of the Company, the Company hereby approves the appointment of Mr. Rajiv Harshavardhan Ramahalli (DIN 00473445) as Executive Director (Whole-time Director) of the Company for a period of five years with effect from September 17, 2015 with authority to the Board of Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Board of Directors and Mr. Rajiv Harshavardhan Ramahalli. **RESOLVED FURTHER THAT** the Board be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this resolution.”

9. Appointment of Mr. Shivananjaiah Hosahally Nanjaiah as Executive Director:

To consider and, if thought fit, to pass with or without modification(s) the following resolution as an Ordinary resolution;

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197 and other applicable provisions, if any, of the Companies Act, 2013, (“Act”), as amended or re-enacted from time to time, read with Schedule V of the Act and Articles of Association of the Company, the Company hereby approves the appointment of Mr. Shivananjaiah Hosahally Nanjaiah (DIN 02368798) as Executive Director (Whole-time Director) of the Company for a period of five years with effect from September 17, 2015 with authority to the Board of Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Board of Directors and Mr. Shivananjaiah Hosahally Nanjaiah.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this resolution.”

10. To approve the remuneration of Mr. Karthik Ramohalli Krishn Rao, Managing Director of the Company:

To consider and, if thought fit, to pass with or without modification(s) the following resolution as an Ordinary resolution;

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197 and other applicable provisions, if any, of the Companies Act, 2013, (“Act”), as amended or re-enacted from time to time, read with Schedule V of the Act and Articles of Association of the Company, the Company hereby give consent for payment of remuneration upto Rs.1,15,000/- (Rupees One Lakh Fifteen Thousand Only) per month including Basic salary and other benefits (viz. perquisites and other allowances) to Mr. Karthik Ramohalli Krishn Rao (DIN 00073462), Managing Director, for a period of five years with effect from September 17, 2015.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this resolution.”

11. To approve the remuneration of Mr. Rajiv Harshavardhan Ramahalli, Executive Director of the Company:

To consider and, if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution;

“RESOLVED THAT pursuant to the provisions of Sections 196, 197 and other applicable provisions, if any, of the Companies Act, 2013, (“Act”), as amended or re-enacted from time to time, read with Schedule V of the Act and Articles of Association of the Company, the Company hereby give consent for payment of remuneration upto Rs.1,15,000/- (Rupees One Lakh Fifteen Thousand Only) per month including Basic salary and other benefits (viz. perquisites and other allowances) to Mr. Rajiv Harshavardhan Ramahalli (DIN 00473445), Executive Director, for a period of five years with effect from September 17, 2015.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this resolution.”

12. To approve the remuneration of Mr. Shivananjaiah Hosahally Nanjaiah, Executive Director of the Company:

To consider and, if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution;

“RESOLVED THAT pursuant to the provisions of Sections 196, 197 and other applicable provisions, if any, of the Companies Act, 2013, (“Act”), as amended or re-enacted from time to time, read with Schedule V of the Act and Articles of Association of the Company, the Company hereby give consent for payment of remuneration upto Rs.1,15,000/- (Rupees One Lakh Fifteen Thousand Only) per month including Basic salary and other benefits (viz. perquisites and other allowances) to Mr. Shivananjaiah Hosahally Nanjaiah (DIN 02368798), Executive Director, for a period of five years with effect from September 17, 2015.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this resolution.”

13. Removal of Mr. Nanjundaswamy Kapinipathi Hoskere, Director of the Company:

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary resolution, in respect of which a special notice has been received by the Company from members pursuant to Section 169 read with Section 115 of the Companies Act, 2013.

“RESOLVED THAT pursuant to the special notice received from Ms. Archana Sanjay, Ms. Usha Devi R K and Ms. C Varalakshmi, members of the Company in accordance with the provisions of Section 169 of

the Companies Act 2013, Mr. Nanjundaswamy Kapinipathi Hoskere be and is hereby removed from the office of Director with immediate effect.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds and things as may be deemed necessary to give effect to this resolution.”

By Order of the Board
For **Mysore Stoneware Pipes and Potteries Limited**

Sd/-

Karthik Ramohalli Krishn Rao,
(Managing Director, DIN: 00073462)
No.10, Krishna, II Main, AECS Layout II Stage,
Sanjayanagar, RMV II Stage, Bangalore - 560094,
Karnataka, India

Place: Bangalore

Date: 25/05/2016

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF /HERSELF AND THE PROXY NEED NOT BE A MEMBER. THE PROXIES, IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING. A person can act as a proxy on behalf of not exceeding fifty (50) members and holding in aggregate not more than ten (10) percent of the total share capital of the Company.
2. The Register of Members and Transfer Books of the Company will remain closed from 21st June, 2016 to 27th June, 2016 (both days inclusive).
3. Members are required to bring their copy of the Annual Report to the Meeting.
4. Shareholders are required to notify immediately, changes if any, in their address to the Registered Office of the Company.
5. Statement pursuant to Section 102(1) of the Companies Act, 2013 regarding the special businesses contained in the notice, is annexed hereto.

Statement pursuant to Section 102(1) of the Companies Act, 2013**Item No. 7, 8 and 9**

Mr. Karthik Ramohalli Krishn Rao, Mr. Rajiv Harshavardhan Ramahalli and Mr. Shivananjaiah Hosahally Nanjaiah were appointed as Managing Director and Executive Directors of the Company respectively for a period of Five (5) years by the Board of Directors at their meeting held on 17th September 2015, on such terms and conditions of appointment and at such remuneration as decided by the Board. The said appointments were made in accordance with the provisions of Sections 196, 197, 203 and Schedule V of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and the Articles of Association of the Company, subject to members' approval. Accordingly, these resolutions confirming the appointments are commended for your approval.

The certified copies of the Board resolution extracts for appointment of Managing Director and Executive Directors are annexed to this notice.

Further, except Mr. Karthik Ramohalli Krishn Rao, Mr. Rajiv Harshavardhan Ramahalli and Mr. Shivananjaiah Hosahally Nanjaiah and their relatives, none of the other Directors, Key Managerial Personnel or their relatives are interested in the resolutions.

Item No. 10, 11 & 12

Mr. Karthik Ramohalli Krishn Rao, Mr. Rajiv Harshavardhan Ramahalli and Mr. Shivananjaiah Hosahally Nanjaiah were appointed as Managing Director, Executive Directors of the Company respectively for a period of Five (5) years by the Board of Directors at their meeting held on 17th September 2015, on such terms and

conditions of appointment and at such remuneration as decided by the Board. The remuneration of the above directors exceeds eleven per cent of net profits for the financial year, as per limits specified under the provisions of Section 197 of the Companies Act, 2013.

However, the Company may pay the remuneration to Managing Director and Executive Directors in excess of the limits specified under the provisions of Section 197 and in accordance with the provisions of Schedule V of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and the Articles of Association of the Company; with approval of the members, by passing an Ordinary resolution.

Accordingly, these resolutions fixing the maximum limit of remuneration payable to the Managing Director and Executive Directors are commended for your approval.

Further, except Mr. Karthik Ramohalli Krishn Rao, Mr. Rajiv Harshavardhan Ramahalli and Mr. Shivananjaiiah Hosahally Nanjaiah and their relatives, none of the other Directors, Key Managerial Personnel or their relatives are interested in the resolutions.

Item No. 13

The Company has received Special Notice dated 16th May, 2016, pursuant to Section 169 read with Section 115 of the Companies Act, 2013 from Ms. Archana Sanjay, Ms. Usha Devi R K and Ms. C Varalakshmi, members to move at the forthcoming Annual General Meeting, an Ordinary resolution for the removal of Mr. Nanjundaswamy Kapinipathi Hoskere from the office of Director. In their Notice, the members have stated that the acts of Mr. Nanjundaswamy Kapinipathi Hoskere were prejudicial to the interests of the Company and stakeholders at large. Further, Mr. Nanjundaswamy Kapinipathi Hoskere aged 87 years is unable to bring in value to the Board in terms of knowledge and is not discharging his duties as a Director effectively, due to his old age. This is proving to be a hindrance to the growth of the Company, which is detrimental to the Company's future. Hence the resolution is recommended for your approval.

Except for Mr. Nanjundaswamy Kapinipathi Hoskere and his relatives, none of the directors, Key Managerial Persons or their relatives are interested in the resolutions.

By Order of the Board
For **MYSORE STONEWARE PIPES AND POTTERIES LIMITED**

Sd/-
Karthik Ramohalli Krishn Rao,
(Managing Director, DIN: 00073462)
No.10, Krishna, II Main, AECS Layout II Stage,
Sanjayanagar, RMV II Stage, Bangalore - 560094,
Karnataka, India

Place: Bangalore
Date: 25/05/2016

Annexure

EXTRACTS OF THE MINUTES OF THE PROCEEDINGS OF THE FIFTH MEETING OF BOARD OF DIRECTORS OF MYSORE STONEWARE PIPES AND POTTERIES LIMITED FOR THE FINANCIAL YEAR 2015-2016 HELD ON 17th SEPTEMBER 2015 AT 4 P.M. AT GF-2, SAPTHAGIRI, NO. 30, 10TH CROSS, R M V EXTENSION, SADASHIVANAGAR, BANGALORE- 560080, KARNATAKA

APPOINTMENT OF MR. R.K. KARTHIK AS MANAGING DIRECTOR:

In view of the cessation of Mr. R.P. Trivikram it was proposed to appoint Mr. R.K. Karthik, Whole-time director, as the Managing Director of the company. Further, it was informed that Mr. Karthik is also the Managing Director of Magal Machine Tools And Accessories Private Limited. The following resolution was passed unanimously.

“RESOLVED THAT in accordance with the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with Schedule - V of the Act and Articles of Association, and subject to approval of the members, consent of the Board is hereby accorded for the appointment of Mr. R.K. Karthik, as Managing Director for a period of five years with effect from 17th September 2015 to 16th September 2020, and the payment of salary, commission and perquisites (hereinafter referred to as “remuneration”), on the terms and conditions as detailed in the terms sheet placed hereto, initialled by the Chairman for the purpose of identification.

RESOLVED FURTHER THAT Mr. Shivananjaiah Hosahally Nanjaiah and Mr. Rajiv Harshavardhan Ramahalli, Directors be and are hereby, severally, authorized to do such acts, deeds and things necessary or incidental thereto in this regard and to sign and file requisite e-forms with the Ministry of Corporate Affairs.”

APPOINTMENT OF MR. RAJIV H. RAMAHALLI AS EXECUTIVE DIRECTOR:

The Board proposed the appointment of Mr. Rajiv H. Ramahalli as Executive director of the Company and revised his remuneration. The following resolution was passed.

“RESOLVED THAT pursuant to the Articles of Association and applicable provisions of the Companies Act, 2013 (the Act) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Mr. Rajiv H. Ramahalli be and is hereby appointed as Executive Director on such revised remuneration as detailed in the terms sheet placed hereto, initialled by the Chairman for the purpose of identification.

RESOLVED FURTHER THAT Mr. Karthik Ramohalli Krishn Rao and Mr. Shivananjaiah Hosahally Nanjaiah, Directors be and are hereby, severally, authorized to do such acts, deeds and things necessary or incidental thereto in this regard and to sign and file requisite e-forms with the Ministry of Corporate Affairs.”

APPOINTMENT OF MR. SHIVANANJIAH HOSAHALLY NANJIAH AS EXECUTIVE DIRECTOR:

The Board proposed the appointment of Mr. Shivananjaiah Hosahally Nanjaiah, Director, as Executive Director of the company and accordingly passed the following resolution.

“RESOLVED THAT pursuant to the Articles of Association and applicable provisions of the Companies Act, 2013 (the Act) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, consent of the Board is hereby accorded for appointment of Mr. Shivananjaiah Hosahally Nanjaiah as Executive Director with effect from 17th September 2015 on such terms and conditions as detailed in the terms sheet placed hereto, initialled by the Chairman for the purpose of identification.

RESOLVED FURTHER THAT Mr. Karthik Ramohalli Krishn Rao and Mr. Rajiv Harshavardhan Ramahalli, Directors be and are hereby, severally, authorized to do such acts, deeds and things necessary or incidental thereto in this regard and to sign and file requisite e-forms with the Ministry of Corporate Affairs.”

By Order of the Board
For **MYSORE STONEWARE PIPES AND POTTERIES LIMITED**

Sd/-
Karthik Ramohalli Krishn Rao,
(Managing Director, DIN: 00073462)
No.10, Krishna, II Main, AECS Layout II Stage,
Sanjayanagar, RMV II Stage, Bangalore - 560094,
Karnataka, India

Place: Bangalore

Date: 25/05/2016

Mysore Stoneware Pipes and Potteries Limited

Regd. Office: No. 452, 11th Cross, 6th Main, Sadashivanagar, Bangalore - 560080, Karnataka
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BOARDS' REPORT

[Pursuant to Sub-Section (3) of Section 134 of the Companies Act, 2013]

Your Directors are pleased to present the 79th Director's Report together with the Audited statement of accounts for the year ended 31st March 2016.

FINANCIAL RESULTS:

The Company's financial results for the period ended 31st March 2016 is as under:

Particulars	Current Year 2015-16 (In Rupees)	Previous Year 2014-2015 (In Rupees)
Income from Operations	4,19,49,718	4,23,05,727
Other income including income from exceptional items	1,20,68,817	2,21,21,515
Less: Expenditure	5,10,63,527	5,02,26,874
Profit for the year before tax	15,49,304	1,37,70,368
Less: Income tax provision	2,20,000	26,50,263
Add/(Less): Deferred tax Asset /(Liability)	2,82,116	8,27,0391
Profit after tax including deferred tax	16,11,420	19,47,144
Balance brought forward from previous year		
Balance carried forward to Balance Sheet	5,21,84,486	4,28,84,269
	5,15,37,280	5,21,84,486

- * The Company had paid fee of Rs.14,05,704 (Rupees Fourteen Lakhs Five Thousand Seven Hundred and Four only) to Sri-Gem Corporate Services Private Limited for consultation service provided by Mr. Gopalakrishna Hegde, Executive Director, in respect of Rights issue, Rs. 8,98,888 paid for rectification of land documents and the balance amount incurred towards legal charges, auditor fees, company secretary fees and other professional consultation charges. The financial implication for further legal and travelling expenditure till the disposal of the case cannot be ascertained now. The matter is subjudice.
- * The Company had incurred an additional legal expense of Rs.3,85,000 (Rupees Three Lakhs Eighty Five Thousand only) this is because of fresh legal cases filed by ex-Managing Director and Others. The ex-Managing Director and others have filed petition before the Hon'ble Company Law Board under the provisions of the Companies Act, against the Company and the current Board members, seeking an order for distribution of Company assets based on their shareholding. The Company is defending strongly by engaging an eminent advocate to uplift the corporate democracy and to safe guard the interest of other stakeholders.

OPERATIONS:

The income from the operations of the year stands at Rs. 4,19,49,718/- (Rupees Four Crore Nineteen Lakhs Forty Nine Thousand Seven Hundred and Eighteen only). The operations have resulted in net deficit of Rs. 50,59,576/- (Rupees Fifty Lakhs Fifty Nine Thousand Five Hundred and Seventy Six only), after providing for depreciation and interest.

The Company is also carrying on real estate activities as envisaged in IX & XXIV clause of Memorandum of Association.

The Company has obtained in principle approval from Bangalore Development Authority (BDA) for conversion of land and change in land use from Industrial to Residential.

DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

The Constitution of the Board is as follows:

S. No.	Name	Designation	Date of Appointment
1.	Karthik Ramohalli Krishn Rao	Managing Director	27/04/2002
2.	Nanjundaswamy Kapinipathi Hoskere	Director	07 /07/2007
3.	Rajiv Harshavardhan Ramahalli	Whole-time Director	17/09/2015
4.	Casiker Vivekanand	Director	19/12/2007
5.	Mysore Manjanathasetty Anandram	Director	10/09/2015
6.	Sanjay Jayatsen	Director	21/07/2008
7.	Shivananjaiah Hosahally Nanjaiah	Whole-time Director	27/09/2008
8.	Nanjappaiah Madgondapalli Ramu	Director	10/09/2015
9.	Manjunath Narasaiah	Chief Financial Officer	24/06/2014

- (i) Mr. Mysore Manjanathasetty Anandram and Mr. Nanjappaiah Madgondapalli Ramu were appointed as Directors, by the members at the Annual General Meeting of the Company held on 10th September 2015.
- (ii) Further, Mr. Trivikram Ramuhalli Prabhakar Rao and Ms. Sudha Trivikram were removed from the office of Director of the Company, by the members at the Annual General Meeting of the Company held on 10th September 2015.
- (iii) Mr. Karthik Ramohalli Krishn Rao was appointed as Managing Director of the Company; Mr. Rajiv Harshavardhan Ramahalli and Mr. Shivananjaiah Hosahally Nanjaiah were appointed as Executive Directors (Whole-time) of the Company at the Board meeting held on 17th September 2015. The appointments and their remuneration paid and payable requires members' approval at the ensuing Annual General Meeting.

DETAILS OF BOARD MEETINGS:

The Board of Directors duly met 7 (Seven) times during the year, on 7th April 2015, 16th May 2015, 24th July 2015, 14th September 2015, 17th September 2015, 4th November 2015 and 29th February 2016, in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.

DETAILS OF COMMITTEE(S) AND MEETINGS:

Stakeholders' relationship committee

The Company has voluntarily constituted Investors / Shareholders Grievance Committee and Share Transfer Committee with Mr. Rajiv H Ramahalli, Mr. H.N. Shivananjaiah and Mr. Sanjay Jayatsen as members, to expedite redressal of the investor's grievances and also to address requests/ queries of the shareholders.

Accordingly, the members of the Committee(s) duly met 7 (Seven) times during the year, on 31st July 2015, 20th August 2015, 2nd September 2015, 18th September 2015, 4th November 2015, 12th February 2016 and 17th March 2016, in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.

TRANSFER TO GENERAL RESERVES:

The Company has not transferred any amount to general reserves during the period under report.

DIVIDEND:

Your Directors recommend payment of a dividend at the rate of Rs.2.50/- (Rupees Two rupees & Fifty paise only) per share for the year ended March 31, 2016 on 739200 fully paid up equity shares of Rs.10/- each. The dividend on Ordinary Shares is subject to the approval of the shareholders at the Annual General Meeting (AGM) scheduled on 27th June, 2016.

The Register of Members and Share Transfer Books will remain closed from 21st June, 2016 to 27th June, 2016 (both days inclusive) for the purpose of ascertaining the list of members who are entitled to receive dividend payment.

SUBSIDIARIES/ASSOCIATE COMPANIES/JOINT VENTURES:

The Company does not have any subsidiary Company nor entered into arrangement of joint venture with other company/entity. The Company has an associate company, "**Global Pipe Engineering and Systems (India) Private Limited**" which was running under the loss and the investments of the Company was eroded to large extent as per the latest audited financials appearing on the portal on Ministry of Corporate Affairs. **The associate Company is not provided The financial statements, hence it is not possible to provide the details of associate company. The financial statements of the Company are not able to depict the true and fair view, to the extent of implications of financial statements of associate company on the Company's financial statements.**

The Mr. R.P. Trivikram, ex-Managing Director, who is also a member of the Company, is controlling the affairs of the associate company.

FIXED DEPOSITS:

During the period under report, the Company has not accepted any amount which is termed as "deposit", as per provisions of Section 2 (31) of the Companies Act, 2013.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE ACT:

The Company has not given any loan(s) or provided any guarantee(s)/security to its Directors or their relatives or other entities, including entities in which Directors have interest. The Board by passing a resolution in its meeting had made an investment in mutual funds' expect this, the Company has not made any other investment(s) in any other Company/body corporate which requires compliance of provisions of Section 186 of the Companies 2013 and rules made there under.

TRANSACTIONS WITH RELATED PARTIES:

The Company has not entered into contracts/arrangements falling under the purview of Section 188 of the Companies Act 2013, during the year under report. The Company has running contracts with **Global Pipe Engineering and Systems (India) Private Limited**, for sale and purchase of pipes, potteries and fittings, and with M/s Supra Export, for lease of immovable property.

All contracts or arrangements with related parties entered into or modified during the financial year were at arm's length basis and in the ordinary course of the Company's business.

Therefore, there is no requirement to report any transaction in Form No. AOC-2 in terms of Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014.

Transactions with related parties, as per requirements of Accounting Standard 18 are disclosed in the notes to accounts annexed to the financial statements.

RISK MANAGEMENT POLICY:

The Risk Management Policy of the Company is commensurate with the size and scale of operations of the Company. The same is being implemented. The monitoring process includes review operations of the Company, indent the current risks and address the measures to overcome from the same. The management also takes a mid to long term view of the market and potential risks on an annual basis at the minimum.

CORPORATE SOCIAL RESPONSIBILITY (CSR):

The Company does not fall within the purview of Section 135 of the Companies Act 2013 and therefore, was not required to spend money for Corporate Social Responsibility ("CSR") activities, by constituting "CSR" committee comprise of Independent Director(s).

However, during the year under report, the Company has voluntarily taken initiative and indulged in CSR activity by donating bags and books to the underprivileged students of Government Schools (two no.'s) in Thirthahalli Taluk, Shimoga District, Karnataka at an approximate cost of Rs. 50,000/- (Rupees Fifty thousand Only). The Company proposes to undertake more such ventures in the future, in the interest of the Society.

AUDITORS:

M/s. N. Nityananda & Co., Chartered Accountants, who were appointed as Statutory Auditors of the Company at the Annual General Meeting held on 10th September 2015, to hold office as statutory auditors of the Company from the conclusion of that Annual General Meeting till the conclusion of ensuring 79th Annual General Meeting, have submitted their consent letter and eligibility certificate for re-appointment.

A resolution seeking for their appointment forms part of the notice convening the 79th Annual General Meeting and the same is recommended for your consideration and approval.

SECRETARIAL COMPLIANCE REPORT:

The Company has obtained a Secretarial Compliance Report from CS Natesh. K and is attached hereto as **Annexure I** and is forming part of this report.

REPLY TO QUALIFICATIONS OF STATUTORY AUDITORS:

Qualification in Auditors Report:

- 1) The Company has in its books inventory to the tune of Rs 10124204/-. There is an internal control weakness in the area of Inventory management due to non-maintenance of adequate inventory registers.

Reply: The Company has already taken steps and strengthen the inventory management from the currnet financial year

- 2) Point V in the Annexure to Independent Auditors' Report;

The Company has not accepted any deposits, whether the directives issued by the Reserve Bank of India and deposits from the public covered under the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under *subject to the instances wherein amounts have been received towards advances which are not supported by documentary evidences*. There have been no instances where order has been passed by Company Law Board or National Company Law Tribunal for any contravention.

Reply: According to the Companies (Acceptance of Deposits) Rules 2014 any amount received in course of, or for the purposes of business of the Company as advance in connection with consideration for property under an arrangement and is adjusted against the property in accordance with the terms of arrangement shall not be considered as a deposit.

The Company has received advances from customers towards sale of residential sites. The main objects of the Company specified in the Memorandum and Association, permit/allow the Company to carry on the business of sale of residential sites. The Company had registered the property in the name of customer(s), where ever the customer had made full consideration towards sale. The Hon'ble Company Law Board pursuant to the petition filed by Mr.R.P.Trivikram, share holder and others has temporarily restrained the Company from alienating the property, hence the Company is unable to register the residential sites, till further orders of the Hon'ble Company Law Board or disposal of case.

REPLY TO QUALIFICATION OF COMPLIANCE AUDIT REPORT

Qualification: During the course of Audit, the Company has not provided complete minutes and some statutory registers. The Audit was completed based on soft copies of records, wherever the originals are not available / provided.

Reply: The statutory registers, minute's books and other statutory papers were under the control of ex-Managing Director, who was managing the day to day affairs of the Company and same were untraceable since his removal.

DIRECTORS RESPONSIBILITY STATEMENT:

As required in terms of Sub-Section (5) of Section 134 of the Companies Act, 2013, your Directors state as under-

- a) That in the preparation of annual accounts, applicable accounting standards had been followed, along with proper explanation relating to material departures;
- b) That the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of state of affairs of the company at the financial year ended 31st March 2016 and of the profit and loss for that period;
- c) That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records, in accordance with the provisions of this Act, to safeguard the assets of the company and for preventing and detecting fraud and other irregularities;
- d) That the Directors had prepared the annual accounts on a going concern basis;
- e) That the Directors had devised proper systems, to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT:

No material changes and commitments, affecting the financial position of the Company have occurred between the end of the financial year to which the financial statements relate and the date of this Report.

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

A. CONSERVATION OF ENERGY:

The Company has taken adequate steps to save/conserve energy and have adequate system to prevent wastage. The Company has not made any investment in capital equipment to conserve energy during the period under report.

Details of energy consumption during the period under report are as detailed below:

Sl. No.	Particulars	Units	Current year 2015-16 Rupees	In Units	Previous Year 2015-16 Rupees
1	Cost of fuel per ton of production		Rs. 1,722 /-		Rs. 1,516 /-
2	Electricity for production :				
	a. Total consumption	3,56,488	Rs. 23,87,161 /-	Rs. 3,63,140/-	Rs. 27,48,312/-
	b. Cost per unit		Rs. 6.69 /-		Rs. 7.56 /-
	c. Cost of electricity per				
	d. ton of production		Rs. 530/-		Rs. 694 /-

A. TECHNOLOGY ABSORPTION:

The Company has not adopted any new technology and has indeed strived hard to achieve optimum utilization of installed machinery.

B. FOREIGN EXCHANGE EARNINGS AND OUTGO:

	01.04.2015 to 31.03.2016	01.04.2014 to 31.03.2015
Particulars	Amount (INR in Lakhs)	Amount (INR in Lakhs)
Foreign Exchange Earnings-	NIL	NIL
Foreign Exchange Outgo- - Capital goods - Others	NIL	NIL

PARTICULARS OF EMPLOYEES:

None of the employees of the Company falls under the provisions of Rule 5 (2) and Rule 5 (3) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Section 197 (12) of the Companies Act, 2013.

EMPLOYEE STOCK OPTION SCHEME:

The Company has not framed/adopted any scheme for issue of securities/stock to its employees.

EQUITY SHARES WITH DIFFERENTIAL VOTING RIGHTS:

The Company has not issued Equity Shares with differential voting rights within the meaning of Section 43(a) (ii) of the Companies Act, 2013 read with rules made there under.

INTERNAL FINANCIAL CONTROLS:

The Company has maintained adequate internal financial controls as per the provisions of the Companies Act, 2013, with respect to the financial statements of the Company.

EXTRACTS OF ANNUAL RETURN:

The extracts of Annual Return in Form MGT-9 for the financial year ended 31st March 2016 is attached hereto and is marked as **Annexure II**.

PARTICULARS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:

There were no orders passed by any competent authority that may affect the going concern status of the Company and its operations in the future.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has zero tolerance towards sexual harassment at the workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. As required under law, an Internal Compliance Committee has been constituted for reporting and conducting inquiry in to the complaints made by the victim on the harassments at the work place. During the financial year, the following is a summary of sexual harassment complaints received and disposed off during the financial year ending March 31, 2016:

Number of complaints received: NIL

Number of complaints disposed off: NIL

CORPORATE GOVERNANCE:

The Companies shares were listed with the Bangalore Stock Exchange Limited. The Bangalore Stock Exchange Limited subsequently became non-operational due to lack of trading activity on its platform. Due to which Bangalore Stock Exchange Limited opted for voluntary surrender of recognition and exit, through its letter dated 8th October 2013 to SEBI, under the provisions of Circular No. CIR/MRD/DSA/14/2012 dated May 30, 2012 (hereinafter referred to as "Exit Circular, 2012") issued by SEBI with respect to voluntary surrender of recognition and exit, in modification of their earlier circular issued in this

regard. SEBI vide its order WTM/RKA/MRD/165/2014, dated 26th December 2014 allowed the exit of Bangalore Stock Exchange Limited as a stock exchange. One of the conditions specified in the "Exit Circular, 2012" requires the companies exclusively listed on the stock exchange seeking exit, to list their securities on any other recognized stock exchange, failing which they will cease to be a listed company and will be moved to the dissemination board by the exiting stock exchange. The Company currently has not listed its securities on any other recognized stock exchange nor has the Company initiated any process to list its securities with any other recognized stock exchange.

Hence the Company is not a listed company and was not required to comply with the provisions of Securities and Exchange Board of India Act, 1992 ('SEBI Act'), the Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made under that Act, the Depositories Act, 1996 and the Regulations and Bye-laws framed under that Act and Listing Agreement;

ACKNOWLEDGEMENTS:

Your Directors wish to express their gratitude and record their sincere appreciation for the efforts of all employees. The Directors take this opportunity to express their grateful appreciation for the excellent assistance and co-operation received from distributors, suppliers, bankers and other business associates for their valuable service and support during the year. The Directors are also thankful to the esteemed shareholders for their support and confidence reposed in the Company.

For and on behalf of the Board Mysore Stoneware Pipes and Potteries Limited

Sd/-
Karthik Ramohalli Krishn Rao
Managing Director, DIN: 00073462
No.10, Krishna, II Main, AECS Layout II Stage
Sanjayanagar, RMV II Stage,
Bangalore 560094, Karnataka, India

Sd/-
Rajiv Harshavardhan Ramahalli
Executive Director, DIN: 00473445
151,4th Main Road, Chamarajpet,
Bangalore- 560018,
Karnataka, India

Sd/-
Shivananjaiah Hosahally Nanjaiah
Executive Director, DIN: 02368798
No. 11, Devikrupa, 11- Cross West of Chord
Road, 02-Stage, Bangalore - 560086
Karnataka, India

Sd/-
Nanjappaiah Madgondapalli Ramu
Chairman, DIN: 07268616
No. 423, 5th Cross, 4th D Main, Kalyan Nagar,
2nd Block, Bangalore - 560043,
Karnataka, India

Date: 25/05/2016

Place: Bangalore

SECRETARIAL COMPLIANCE AUDIT REPORT

For The Financial Year ended 31st March 2016

The Board of Directors,

MYSORE STONEWARE PIPES AND POTTERIES LIMITED

No. 452, 11th Cross, 6th Main

Sadashivanagar, Bangalore- 560080

Corporate Identification Number	:	U26913KA1937PLC000197
Authorized Capital	:	Rs. 100,000,000.00/-
Paid Up Capital	:	Rs. 7,392,000.00/-

I have examined the registers, records and documents of MYSORE STONEWARE PIPES AND POTTERIES LIMITED ("the Company") for the financial year ended on March 31, 2016,

A. Maintained under the provisions of the Companies Act, 2013 (the Act) and the Rules made thereunder;

Based on my examination and verification of the registers, records and documents produced to me and according to the information and explanations given to me by the Company, I report that the Company, **except to the extent mentioned herein below as note**, in my opinion, has complied with the provisions of the Act and the Rules made under the Act and the Memorandum and Articles of Association of the Company, with regard to:

- (a) maintenance of the following statutory registers and documents and making necessary entries therein –
 - (i) Register of Directors and Key Managerial Personnel and their Shareholding,
 - (ii) Register of Charges
 - (iii) Form MBP-4 - Register of contracts with related party and contracts and Bodies corporate etc. in which directors are interested.
 - (iii) Form MBP 2 – Register of loans, guarantee, security and acquisition made by the Company
- (b) closure of the Register of Members
- (c) forms, returns, documents and resolutions required to be filed with the Registrar of Companies and the Central Government
- (d) service of documents by the Company on its Members, Directors, Auditors, the Registrar of Companies and others concerned
- (e) notice of Board meetings and Committee meetings of Directors
- (f) the meetings of Directors and Committees of Directors including passing of resolutions by circulation
- (g) sending notices for and holding of Annual General Meeting for the period under report
- (h) minutes of proceedings of General Meetings and of the Board and its Committee meetings
- (i) approvals of the Members, the Board of Directors, the Committees of Directors and the government authorities, wherever required
- (j) constitution of the Board of Directors /Committee(s) of Directors, appointment, retirement and re-appointment of Directors

- (k) payment of remuneration to Manager and Independent Directors
- (l) appointment and remuneration of Statutory Auditor(s), Cost Auditor(s), Internal Auditor(s) and Secretarial auditor(s)
- (m) declaration and payment of dividend
- (n) transfer of amounts as required under the Act to the Investor Education and Protection Fund and transfer of unpaid and unclaimed amount to a separate Bank Account
- (o) borrowings and registration, modification and satisfaction of charge(s), wherever applicable
- (p) issue of shares or securities.
- (q) form of balance sheet as prescribed under Part I, form of statement of profit and loss as prescribed under Part II and General Instructions for preparation of the same as prescribed in Schedule III to the Act
- (r) Directors' report
- (s) contracts, common seal, registered office and publication of name of the Company and
- (t) Generally, all other applicable provisions of the Act and the Rules made under the Act.

I further report that:

(i) the Directors have complied with the requirements as to disclosure of interest and concern in the contracts and arrangements, shareholdings / debenture holdings and directorships in other companies and interests in other entities.

(ii) the Company had appointed BgSE Financials Limited as its Registrar and Share Transfer Agent to maintain the Register of Members, Register of Share Transfer and Transmission, Register of Renewed and Duplicate Share Certificate and to record/effect share transfer and transmissions in the Company's records as per the approval of the Board/ Committee. I have obtained written representation/statement from the representative of BgSE Financials Limited/the Managing Director of the Company that they have verified all the documents/forms related to transfer and transmission of shares and documents pertaining to requests for renewal and issue of duplicate share certificates and after being satisfied of the correctness of the documents have approved and recorded in the Registers maintained for the purpose. Based on the said statements/representations, I am of the opinion that the Company had complied with the applicable provisions of the Companies Act 2013.

B. Maintained under the provisions of;

The Securities and Exchange Board of India Act, 1992 ('SEBI Act'),

The Securities Contracts (Regulation) Act, 1956('SCRA') and the Rules made under that Act and

The Depositories Act, 1996 and the Regulations and Bye-laws framed under that Act

The Companies shares were listed with the Bangalore Stock Exchange Limited. The Bangalore Stock Exchange Limited subsequently became non-operational due to lack of trading activity on its platform. Due to which Bangalore Stock Exchange Limited opted for voluntary surrender of recognition and exit, through its letter dated 8th October 2013 to SEBI, under the provisions of Circular No. CIR/MRD/DSA/14/2012 dated May 30, 2012 (hereinafter referred to as “Exit Circular, 2012”) issued by SEBI with respect to voluntary surrender of recognition and exit, in modification of their earlier circular issued in this regard. SEBI vide its order WTM/RKA/MRD/165/2014, dated 26th December 2014 allowed the exit of Bangalore Stock Exchange Limited as a stock exchange. One of the conditions specified in the “Exit Circular, 2012” requires the companies exclusively listed on the stock exchange seeking exit, to list their securities on any other recognized stock exchange, failing which they will cease to be a listed company and will be moved to the dissemination board by the exiting stock exchange. The Company currently has not listed its securities on any other recognized stock exchange nor has the Company initiated any process to list its securities with any other recognized stock exchange. Hence the Company is not a listed company.

Based on my examination and verification of the documents produced to me and on my findings mentioned above, in my opinion the Company was not required to comply with the aforesaid Act(s) and the rules, regulations and guidelines made under the aforesaid Act(s);

C. Maintained under the provisions of the Foreign Exchange Management Act, 1999 (FEMA, 1999)

Based on my examination and verification of the registers, records and documents produced to me and according to the information and explanations given to me by the Company, I report that the Company was not required to comply with the provisions of FEMA, 1999 and the Rules made under the Act.

D. Maintained under the provisions of;

Finance and Commercial laws

Sl. No	Acts
1	Customs Act, 1962
2	Income Tax Act, 1961
3	Sale of Goods Act, 1930
4	Sales Tax / Value Added Tax of State Government
5	The Central Excise Act, 1944
6	Wealth Tax Act, 1957

Based on the draft of the statutory audit report and internal audit report(s) produced to me which were confirmed to me by the management as final and according to the information and explanations given to me by the Company, I report that the Company has, in my opinion, adequate systems and processes commensurate with the size and operations of the Company, to monitor and ensure compliance of the aforesaid Acts and the rules / regulations / guidelines made / issued thereunder.

Labour laws

Sl. No	Acts
1	Employees' Provident Funds & Miscellaneous Provisions Act, 1952
2	Employees' State Insurance Act, 1948
3	Factories Act, 1948
4	Indian Contract Act, 1872
5	Industrial Disputes Act, 1947
6	Industrial Employment (Standing Orders) Act, 1946
7	Industries (Development & Regulation) Act, 1951
8	Labour Welfare Fund Act of the State
9	Minimum Wages Act, 1948
10	Payment of Bonus Act, 1965
11	Payment of Gratuity Act, 1972
12	Payment of Wages Act, 1936
13	Workmen's Compensation Act, 1923

With reference to the above, I report that the Company has adequate system to comply with the aforesaid Acts.

Note: During the course of Audit, the Company has not provided complete minutes and some statutory registers. The Audit was completed based on soft copies of records, wherever the originals are not available / provided.

Place: Bangalore

Date: 25/05/2016

Sd/-
K.Natesh
BSc., LLB, FCS
Company Secretary
C.P. No.7277
F.C.S. 6835

Annexure II
FORM NO. MGT 9
EXTRACTS OF ANNUAL RETURN

for the financial year ended 31st March, 2015
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12 (1) of the Company
(Management & Administration) Rules, 2014.

I

I REGISTRATION & OTHER DETAILS:

- i Corporate Identification Number : U26913KA1937PLC000197
ii Registration Date : 25/03/1937
iii Name of the Company : MYSORE STONEWARE PIPES AND POTTERIES LIMITED
iv Category/Sub-category of the Company : Public Company Limited by Shares
v Address of the Registered office : No. 452, 11th Cross, 6th Main, Sadashivanagar,
& contact details and EMail ID : Bangalore- 560080, Karnataka, India
E-mail Id: msppoffice@gmail.com,
Phone No: 080 23614696
Website: www.mysorestonewarepipes.com
vi Whether listed company : No
vii Name , Address & contact details of the : BgSE Financials Limited
Registrar & Transfer Agent, if any. : Stock Exchange Towers, 51, 1st Cross,
J.C. Road, Bangalore - 560 027
Tel : 080 41575234/35 (Reception),
Systems C&S : 41575553/4
Email ID : bfsf@bfsf.co.in, Website : www.bfsf.co.in

III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

Sl. No.	Name & Description of main products / services	NIC Code of the Product /service	% to total turnover of the company
1	Manufacturing of Stoneware Pipes and Specials	2392	84.15%
2	Development of land and Sales of Residential Sites	6810	15.85%

III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

Sl. No.	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Global Pipe Engineering and Systems (India) Private Limited Address: 30, Sapthagiri, 10th Cross, RMV Extn, Sadashivanagar, Bangalore- 560080, Karnataka, India	U26941KA2005 PTC036128	Associate	33.33%	Section 2(6)

IV SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) :
i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2015				No. of Shares held at the end of the year 31.03.2016				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical		% of Total Shares	
(A) Promoters									
(1) Indian									
(a) Individuals / Hindu Undivided Family	34883	14034	48917	46.32%	363867	149367	513324	69.43%	23.11%
(b) Central Government(s)	-	-	-	-	-	-		-	-
(c) State Governments(s)	-	-	-	-	-	-		-	-
(d) Body Corporate	-	-	-	-	-	-		-	-
(e) Banks/Financial Institutions	-	-	-	-	-	-		-	-
(f) Any other (specify)	-	-	-	-	-	-		-	-
Sub-Total (A) (1)	34883	14034	48917	46.32%	363867	149367	513324	69.43%	23.11%
(2) Foreign									
(a) Non-Resident Individuals	-	-	-	-	-	-		-	-
(b) Other Individuals	-	-	-	-	-	-		-	-
(c) Body Corporate	-	-	-	-	-	-		-	-
(d) Banks/Financial Institutions	-	-	-	-	-	-		-	-
(e) Any Other (specify)	-	-	-	-	-	-		-	-
Sub-Total (A) (2)	-	-	-	-	-	-		-	-
Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	34883	14034	48917	46.32%	363867	149367	513324	69.43%	23.11%

(B) Public Shareholding									
(1) Institutions									
(a) Mutual Funds	-	-	-	-	-	-	-	-	-
(b) Banks/Financial Institutions	-	898	898	0.85%	-	898	898	0.12%	-0.73%
(c) Central Government (s)	-	-	-	-	-	-	-	-	-
(d) State Governments(s)	-	-	-	-	-	-	-	-	-
(e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f) Insurance Companies (g) Foreign Institutional Investor(s)	-	-	-	-	-	-	-	-	-
(h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(i) Any Other (Specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B) (1)	-	898	898	0.85%	-	898	898	0.12%	-0.73%
(2) Non-Institutions									
(a) Bodies Corporate									
i) Indian	-	3501	3501	3.32%	31006	3501	34507	4.67%	1.35%
ii) Overseas	-	-	-	-	-	-	-	-	-
(b) Individuals									
(i) Individual Shareholders holding nominal Share Capital upto Rs.1 Lakh	-	36553	36553	34.62%	49435	65912	115347	15.60%	-19.02%
(ii) Individual Shareholders holding nominal Share Capital in excess of Rs.1 Lakh	-	15419	15419	14.60%	36636	38246	74882	10.13%	-4.47%
(c) Any Other (Specify)	-	-	-	-	-	-	-	-	-
(i) Trust - The official Trustee Gujarat State) (An Entity registered under the local laws of Gujarat)	-	281	281	0.27%	-	281	281	0.04%	-0.23%

(ii) Shares held by Custodian of Enemy for India	-	31	31	0.029%	-	31	31	0.004%	-0.025%
(iii) Shares held by Enemy Nationals	20	-	20	0.019%	20	-	20	0.003%	-0.016%
Sub-total (B) (2)	20	55785	55805	52.86%	117097	107971	225068	30.45%	-22.41%
Total Public Shareholding (B) = (B)(1)+(B)(2)	20	56683	56703	53.71%	117097	108869	225966	30.57%	-23.14%
TOTAL (A)+(B)	34903	70717	105600	100.00%	480964	258236	739200	100.00%	
(C) Shares held by Custodians Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
GRAND TOTAL (A)+(B)+(C)	34903	70717	105600	100.00%	480964	258236	739200	100.00%	

ii) Shareholding of Promoters :

Sl. No	Shareholder's Name	Shareholding at the beginning of the year 01.04.2015			Shareholding at the end of the year 31.03.2016			% change in share holding during the year
		No.of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No.of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total	
1	H.K. Nanjunda Swamy	350	0.33%	0%	3642	0.49%	0%	0.16%
2	R.P. Trivikram	12434	11.77%	0%	129371	17.50%	0%	5.73%
3	R.K. Karthik	564	0.53%	0%	5871	0.79%	0%	0.26%
4	Rajiv H.Ramahalli	6947	6.58%	0%	72283	9.78%	0%	3.20%
5	C.Vivekanand	2308	2.19%	0%	24013	3.25%	0%	1.06%
6	H.N.Shivananjaiah	9548	9.04%	0%	99341	13.44%	0%	4.40%
7	Sudha Trivikram	2491	2.36%	0%	25917	3.51%	0%	1.15%
8	Sanjay Jayatsen	390	0.37%	0%	4058	0.55%	0%	0.18%
9	R.P.Jayashree	114	0.11%	0%	114	0.02%	0%	-0.09%
10	R.P.Urmila	172	0.16%	0%	1790	0.24%	0%	0.08%
11	Janaki S.R.	114	0.11%	0%	1186	0.16%	0%	0.05%
12	Bharathi Jagannath	514	0.49%	0%	6032	0.82%	0%	0.33%
13	R.T.Bhavana	1021	0.97%	0%	10623	1.44%	0%	0.47%
14	Usha Devi R.K.	2481	2.35%	0%	25813	3.49%	0%	1.14%
15	Kruthika Karthik	10	0.01%	0%	104	0.01%	0%	0.00%
16	Usha Rao J	25	0.02%	0%	4709	0.64%	0%	0.61%
17	R.K.Sashidhara	449	0.43%	0%	4672	0.63%	0%	0.21%
18	Dr. Usha Rao J.	450	0.43%	0%	450	0.06%	0%	-0.37%
19	H S Hemalatha	450	0.43%	0%	7874	1.07%	0%	0.64%
20	C. Varalakshmi	449	0.43%	0%	5903	0.80%	0%	0.37%
21	Chaitra S	4	0.00%	0%	52	0.01%	0%	0.00%
22	Ramya S	4	0.00%	0%	52	0.01%	0%	0.00%
23	R.T.Abhijit	1863	1.76%	0%	19383	2.62%	0%	0.86%
24	Ushacashikar	296	0.28%	0%	3080	0.42%	0%	0.14%
25	Usha Casiker	775	0.73%	0%	8063	1.09%	0%	0.36%
26	Archana Sanjay	4594	4.35%	0%	47798	6.47%	0%	2.12%
27	Anandram M.M	100	0.09%	0%	1040	0.14%	0%	0.05%
Total		48,917	46.32%	0%	513234	69.43%	0%	23.11%

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

Sl. No	Shareholders Name	Cumulative Shareholding during the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	H.K. Nanjunda Swamy				
	At the beginning of the year	350	0.33%	-	-
	Rights issue dated 16.05.2015	3292	0.16%	3642	0.49%
	At the End of the year on 31.03.2016	-	-	3642	0.49%

Sl. No	Shareholders Name	Cumulative Shareholding during the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
2	R.P. Trivikram				
	At the beginning of the year	12434	11.77%	-	-
	Rights issue dated 16.05.2015	116937	5.73%	129371	17.50%
	At the End of the year on 31.03.2016	-	-	129371	17.50%

Sl. No	Shareholders Name	Cumulative Shareholding during the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
3	R.K. Karthik				
	At the beginning of the year	564	0.53%	-	-
	Rights issue dated 16.05.2015	5307	0.26%	5871	0.79%
	At the End of the year on 31.03.2016	-	-	5871	0.79%

Sl. No	Shareholders Name	Cumulative Shareholding during the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
4	Rajiv H.Ramahalli				
	At the beginning of the year	6947	6.58%	-	-
	Rights issue dated 16.05.2015	65336	3.20%	72283	9.78%
	At the End of the year on 31.03.2016	-	-	72283	9.78%

Sl. No	Shareholders Name	Cumulative Shareholding during the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
5	C.Vivekanand				
	At the beginning of the year	2308	2.19%	-	-
	Rights issue dated 16.05.2015	21705	1.06%	24013	3.25%
	At the End of the year on 31.03.2016	-	-	24013	3.25%

Sl. No	Shareholders Name	Cumulative Shareholding during the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
6	H.N.Shivananjaiah				
	At the beginning of the year	9548	9.04%	-	-
	Rights issue dated 16.05.2015	89793	4.40%	99341	13.44%
	At the End of the year on 31.03.2016	-	-	99341	13.44%

Sl. No	Shareholders Name	Cumulative Shareholding during the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
7	Sudha Trivikram				
	At the beginning of the year	2491	2.36%	-	-
	Rights issue dated 16.05.2015	23426	1.15%	25917	3.51%
	At the End of the year on 31.03.2016	-	-	25917	3.51%

Sl. No	Shareholders Name	Cumulative Shareholding during the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
8	Sanjay Jayatsen				
	At the beginning of the year	390	0.37%	-	-
	Rights issue dated 16.05.2015	3668	0.18%	4058	0.55%
	At the End of the year on 31.03.2016	-	-	4058	0.55%

Sl. No	Shareholders Name	Cumulative Shareholding during the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
9	R.P. Jayashree				
	At the beginning of the year	114	0.11%	-	-
	Rights issue dated 16.05.2015	0	-0.09%	114	0.02%
	At the End of the year on 31.03.2016	-	-	114	0.02%

Sl. No	Shareholders Name	Cumulative Shareholding during the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
10	R.P. Urmila				
	At the beginning of the year	172	0.16%	-	-
	Rights issue dated 16.05.2015	1618	0.08%	1790	0.24%
	At the End of the year on 31.03.2016	-	-	1,790	0.24%

Sl. No	Shareholders Name	Cumulative Shareholding during the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
11	Janaki S.R.				
	At the beginning of the year	114	0.11%	-	-
	Rights issue dated 16.05.2015	1072	0.05%	1186	0.16%
	At the End of the year on 31.03.2016	-	-	1,186	0.16%

Sl. No	Shareholders Name	Cumulative Shareholding during the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
12	Bharathi Jagannath				
	At the beginning of the year	514	0.49%	-	-
	Rights issue dated 16.05.2015	5518	0.33%	6032	0.82%
	At the End of the year on 31.03.2016	-	-	6032	0.82%

Sl. No	Shareholders Name	Cumulative Shareholding during the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
13	R.T.Bhavana				
	At the beginning of the year	1021	0.97%	-	-
	Rights issue dated 16.05.2015	9602	0.47%	10623	1.4371%
	At the End of the year on 31.03.2016	-	-	10,623	1.4371%

Sl. No	Shareholders Name	Cumulative Shareholding during the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
14	Ushadevi R.K.				
	At the beginning of the year	2481	2.35%	-	-
	Rights issue dated 16.05.2015	23332	1.14%	25813	3.49%
	At the End of the year on 31.03.2016	-	-	25,813	3.49%

Sl. No	Shareholders Name	Cumulative Shareholding during the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
15	Kruthika Karthik				
	At the beginning of the year	10	0.01%	-	-
	Rights issue dated 16.05.2015	94	0.005%	104	0.01%
	At the End of the year on 31.03.2016	-	-	104	0.01%

Sl. No	Shareholders Name	Cumulative Shareholding during the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
16	Dr. Usha Rao J.				
	At the beginning of the year	25	0.02%	-	-
	Rights issue dated 16.05.2015	4467	0.58%	4492	0.61%
	Transfer of Shares on 04.11.2015	217	0.05%	4709	0.64%
	At the End of the year on 31.03.2016	-	-	4,709	0.64%

Sl. No	Shareholders Name	Cumulative Shareholding during the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
17	R.K.Sashidhara				
	At the beginning of the year	449	0.43%	-	-
	Rights issue dated 16.05.2015	4223	0.21%	4672	0.63%
	At the End of the year on 31.03.2016	-	-	4,672	0.63%

Sl. No	Shareholders Name	Cumulative Shareholding during the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
18	Dr.Usha Rao J.& Kruthika				
	At the beginning of the year	450	0.42%	-	-
	No Change during the Year	-	-	-	-
	At the End of the year on 31.03.2016	-	-	450	0.06%

Sl. No	Shareholders Name	Cumulative Shareholding during the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
19	Hemalatha				
	At the beginning of the year	450	0.43%	-	-
	Rights issue dated 16.05.2015	4232	0.21%	4682	0.63%
	Transfer of Shares on 04.11.2015	3192	0.86%	7874	1.07%
	At the End of the year on 31.03.2016	-	-	7,874	1.07%

Sl. No	Shareholders Name	Cumulative Shareholding during the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
20	C. Varalakshmi				
	At the beginning of the year	449	0.43%	-	-
	Rights issue dated 16.05.2015	4222	0.21%	4671	0.63%
	Transfer of Shares on 04.11.2015	1232	0.59%	5903	0.80%
	At the End of the year on 31.03.2016	-	-	5,903	0.80%

Sl. No	Shareholders Name	Cumulative Shareholding during the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
21	Chaitra S				
	At the beginning of the year	4	0.00%	-	-
	Rights issue dated 16.05.2015	38	0.00%	42	0.01%
	Transfer of Shares on 29.02.2016	10	0.01%	52	0.01%
	At the End of the year on 31.03.2016	-	-	52	0.01%

Sl. No	Shareholders Name	Cumulative Shareholding during the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
22	Ramya S				
	At the beginning of the year	4	0.00%	-	-
	Rights issue dated 16.05.2015	38	0.00%	42	0.01%
	Transfer of Shares on 29.02.2016	10	0.01%	52	0.01%
	At the End of the year on 31.03.2016	-	-	52	0.01%

Sl. No	Shareholders Name	Cumulative Shareholding during the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
23	R.T.Abhijit				
	At the beginning of the year	296	0.28%	-	-
	Rights issue dated 16.05.2015	2784	0.14%	3080	0.42%
	At the End of the year on 31.03.2016	-	-	3,080	0.42%

Sl. No	Shareholders Name	Cumulative Shareholding during the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
24	Ushacashikar				
	At the beginning of the year	296	0.28%	-	-
	Rights issue dated 16.05.2015	2784	0.14%	3080	0.42%
	At the End of the year on 31.03.2016	-	-	3,080	0.42%

Sl. No	Shareholders Name	Cumulative Shareholding during the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
25	Usha Casiker				
	At the beginning of the year	775	0.73%	-	-
	Rights issue dated 16.05.2015	7288	0.36%	8063	1.09%
	At the End of the year on 31.03.2016	-	-	8,063	1.09%

Sl. No	Shareholders Name	Cumulative Shareholding during the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
26	Archana Sanjay				
	At the beginning of the year	4594	4.35%	-	-
	Rights issue dated 16.05.2015	43204	2.12%	47798	6.47%
	At the End of the year on 31.03.2016	-	-	47,798	6.47%

Sl. No	Shareholders Name	Cumulative Shareholding during the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
27	Anandram M.M.				
	At the beginning of the year	100	0.09%	-	-
	Rights issue dated 16.05.2015	940	0.05%	1040	0.14%
	At the End of the year on 31.03.2016	-	-	1040	0.14%

iv)- Shareholding Pattern of Top Ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) :

Sl. No	Shareholders Name	Cumulative Shareholding during the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Kumergode Investments Ltd				
	At the beginning of the year 01.04.2015	3501	3.32%	-	-
	Rights issue dated 16.05.2015	31006	1.35%	34507	4.67%
	At the End of the year 31.03.2016	-	-	34507	4.67%

Sl. No	Shareholders Name	Cumulative Shareholding during the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
2	DR. R.V. Raghavendra				
	At the beginning of the year 01.04.2015	2194	2.08%	-	-
	Rights issue dated 16.05.2015	20633	0.010123	22827	0.0309
	At the End of the year 31.03.2016	-	-	22827	3.09%

Sl. No	Shareholders Name	Cumulative Shareholding during the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
3	Kapinipathi Rao R				
	At the beginning of the year 01.04.2015	15419	14.60%	-	-
	No changes during the year	-	-	-	-
	At the End of the year 31.03.2016	-	-	15419	2.09%

Sl. No	Shareholders Name	Cumulative Shareholding during the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
4	Nandini Srikanta				
	At the beginning of the year 01.04.2015	-	-	-	-
	Rights issue dated 16.05.2015	13236	1.79%	13239	1.79%
	At the End of the year 31.03.2016	-	-	13236	1.79%

Sl. No	Shareholders Name	Cumulative Shareholding during the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
5	Hetal Siddharth Shah & Siddharth Shripal Shah				
	At the beginning of the year 01.04.2015	949	0.90%	-	-
	Rights issue dated 16.05.2015	8925	1.21%	9874	1.34%
	At the End of the year 31.03.2016	-	-	9874	1.34%

Sl. No	Shareholders Name	Cumulative Shareholding during the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
6	Somesh Prakash Shah				
	At the beginning of the year 01.04.2015	950	0.90%	-	-
	Rights issue dated 16.05.2015	8934	1.21%	9884	1.34%
	At the End of the year 31.03.2016	-	-	9884	1.34%

Sl. No	Shareholders Name	Cumulative Shareholding during the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
7	Shamala S Jahgirdar				
	At the beginning of the year 01.04.2015	-	-	-	-
	Transfer of Shares on 02.09.2015	6000	0.81%	6000	0.81%
	At the End of the year 31.03.2016	-	-	6000	0.81%

Sl. No	Shareholders Name	Cumulative Shareholding during the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
8	Sharada Natarajan				
	At the beginning of the year 01.04.2015	62	0.53%	-	-
	Rights issue dated 16.05.2015	3438	0.47%	4000	0.54%
	At the End of the year 31.03.2016	-	-	4000	0.54%

Sl. No	Shareholders Name	Cumulative Shareholding during the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
9	K.S.Rama Sridharan				
	At the beginning of the year 01.04.2015	457	0.43%	-	-
	Rights issue dated 16.05.2015	2742	0.37%	3199	0.43%
	At the End of the year 31.03.2016	-	-	3199	0.43%

Sl. No	Shareholders Name	Cumulative Shareholding during the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
10	W.P.Krishna				
	At the beginning of the year 01.04.2015	259	0.25%	-	-
	Rights issue dated 16.05.2015	2436	0.33%	2695	0.36%
	At the End of the year 31.03.2016	-	-	2695	0.36%

v) Shareholding of Directors & Key Managerial Personnel

Sl. No	Shareholders Name	Cumulative Shareholding during the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Karthik Ramohalli Krishn Rao				
	At the beginning of the Year 01.04.2015	564	0.53%	-	-
	Rights issue dated 16.05.2015	5307	0.26%	5871	0.79%
	At the end of the Year 31.03.2016	-	-	5871	0.79%

Sl. No	Shareholders Name	Cumulative Shareholding during the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
2	Rajiv Harshavardhan Ramahalli				
	At the beginning of the Year 01.04.2015	6947	6.58%	-	-
	Rights issue dated 16.05.2015	65336	3.20%	72283	9.78%
	At the end of the Year 31.03.2016	-	-	72283	9.78%

Sl. No	Shareholders Name	Cumulative Shareholding during the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
3	Shivananjaiah Hosahally Nanjaiah				
	At the beginning of the Year 01.04.2015	9548	9.04%	-	-
	Rights issue dated 16.05.2015	89793	4.40%	99341	13.44%
	At the end of the Year 31.03.2016	-	-	99341	13.44%

Sl. No	Shareholders Name	Cumulative Shareholding during the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
4	Nanjundaswamy Kapinipathi Hoskere				
	At the beginning of the Year 01.04.2015	350	0.33%	-	-
	Rights issue dated 16.05.2015	3292	0.16%	3642	0.49%
	At the end of the Year 31.03.2016	-	-	3642	0.49%

Sl. No	Shareholders Name	Cumulative Shareholding during the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
5.	Casiker Vivekanand				
	At the beginning of the Year 01.04.2015	2308	2.19%	-	-
	Rights issue dated 16.05.2015	21705	1.06%	24013	3.25%
	At the end of the Year 31.03.2016	-	-	24013	3.25%

Sl. No	Shareholders Name	Cumulative Shareholding during the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
6.	Sanjay Jayatsen				
	At the beginning of the Year 01.04.2015	390	0.37%	-	-
	Rights issue dated 16.05.2015	3668	0.18%	4058	0.55%
	At the end of the Year 31.03.2016	-	-	4058	0.55%

Sl. No	Shareholders Name	Cumulative Shareholding during the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
7	Nanjappaiah Madgondapalli Ramu				
	At the beginning of the Year 01.04.2015	2560	2.42%	-	-
	Rights issue dated 16.05.2015	23400	1.09%	25960	3.51%
	At the end of the Year 31.03.2016	-	-	25960	3.51%

Sl. No	Shareholders Name	Cumulative Shareholding during the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
8.	Mysore Manjanathasetty Anandram				
	At the beginning of the Year 01.04.2015	100	0.09%	-	-
	No changes during the year	940	0.05%	1040	0.14%
	At the end of the Year 31.03.2016	-	-	1040	0.14%

Sl. No	Shareholders Name	Cumulative Shareholding during the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
9.	Manjunath Narasaiah				
	At the beginning of the Year 01.04.2015	-	-	-	-
	Transfer of Sahres on 16.05.2015	2	0.0002%	2	0.0002%
	At the end of the Year 31.03.2016	-	-	2	0.0002%

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtness at the beginning of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year				
Additions	2829725	-	-	2829725
Reduction	-	-	-	-
Net Change	2829725	-	-	2829725
Indebtedness at the end of the financial year				
i) Principal Amount	2829725	-	-	2829725
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	2829725	-	-	2829725

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director, Whole time director and/or Manager:

(in Rupees)

Sl. No.	Particulars of Remuneration	Name and Designation of the MD/WTD/Manager			Total Amount
		R.K. Karthik MD	Rajiv. H. Ramahalli WTD	H.N. Shivananjaiah WTD	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	7,65,167	6,36,500	3,86,000	17,87,667
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	1,03,170	53,938	41,191	1,98,299
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-
2	Stock option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission as % of profit -others,(specify)	-	-	-	-
5	Others, please specify	-	-	-	-
	Total (A)	8,68,337	6,90,438	4,27,191	19,85,966
	Ceiling as per the Act				

B. Remuneration to other directors:

(in Rupees)

Sl. No.	Particulars of Remuneration	(a) Fee for attending board committee meetings	(b) Commission	(c) Others, please specify
1	Independent Directors			
	Name of the Directors			
	-	-	-	-
	Total (1)	-	-	-
2	Other Non Executive Directors			
	Name of the Directors			
	H.K.Nanjunda Swamy	19250	-	-
	C.Vivekanad	21000		
	H.N.Shivananjaiah	15000	-	-
	Smt. Sudhatrivikram	9000	-	-
	Sanjay Jayatsen	21000	-	-
	M.N.Ramu	12500	-	-
	M.M.Anand Ram	9000	-	-
	Total (2)	106750	-	-
	Total (B)=(1+2)	106750	-	-
	Total Managerial Remuneration	106750	-	-
	Overall Ceiling as per the Act.	NA	NA	NA

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

Sl.No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	Manjunath Narasaiah CFO	Total
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	-	-	4,00,000	4,00,000
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	1,59,661	1,59,661
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission as -% of profit -others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	Total			5,59,661	5,59,661

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)
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

**For and on behalf of the Board
Mysore Stoneware Pipes and Potteries Limited**

Sd/-
Karthik Ramohalli Krishn Rao
Managing Director, DIN: 00073462
No.10, Krishna, II Main, AECS Layout II Stage
Sanjayanagar, RMV II Stage,
Bangalore 560094, Karnataka, India

Sd/-
Rajiv Harshavardhan Ramahalli
Executive Director, DIN: 00473445
151,4th Main Road, Chamarajpet,
Bangalore- 560018,
Karnataka, India

Sd/-
Shivananjaiah Hosahally Nanjaiah
Executive Director, DIN: 02368798
No. 11, Devikrupa, 11- Cross West of Chord
Road, 02-Stage, Bangalore - 560086
Karnataka, India

Sd/-
Nanjappaiah Madgondapalli Ramu
Chairman, DIN: 07268616
No. 423, 5th Cross, 4th D Main, Kalyan Nagar,
2nd Block, Bangalore - 560043,
Karnataka, India

Date: 25/05/2016
Place: Bangalore

N. NITYANANDA & CO
CHARTERED ACCOUNTANTS
INDEPENDENT AUDITOR'S REPORT

To the Members of MYSORE STONEWARE PIPES AND POTTERIES LIMITED

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters 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 the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 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 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 Controls relevant to the

N. Nityananda & Co
Chartered Accountants

Company's preparation of the Financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by 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.

Basis for Qualified opinion

- a) The Company has in its books inventory to the tune of Rs 10124204/-. There is an Internal control weaknesses in the area of Inventory management due to non-maintenance of adequate inventory registers.*

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial statements, subject to qualified opinion above, 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;

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2016;
- (b) in the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. 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) Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, 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.

N. Nityananda & Co
Chartered Accountants

- e) The Matter described in the Basis for Qualified opinion paragraph above, in our opinion, may not have an adverse effect on the functioning of the Company.
- f) In the basis of written representations received from the directors as on 31 March, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2016, from being appointed as a director in terms of Section 164(2) of the Act.
- g) In respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls refer to our separate report in Annexure B and
- h) With respect to the other matters included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules 2014, in our opinion and to our best of our information and according to the explanations given to us:
 - i. The Company has pending litigations, however their impact on its financial position is not ascertainable by the company.
 - ii. The Company did not have any long-term contracts including derivatives 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 Protection Fund by the Company.
- 2. As required by the Companies (Auditor's Report) Order, 2016("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

Place: Bengaluru
Date: 25-5-2016

for N. NITYANANDA & CO.,
Chartered Accountants
Firm Regn No: 002479S

Sd/-
N.NITYANANDA
(Proprietor)
Membership No.: 020275

N. Nityananda & Co
Chartered Accountants

ANNEXURE TO INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MYSORE STONEWARE PIPES AND POTTERIES LIMITED REFERRED TO IN PARAGRAPH (2) UNDER THE HEADING OF 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS' OF OUR REPORT OF EVEN DATE

- I.
 - a) The company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets,
 - b) According to the information and explanation given to us, the company has a system of physical verification of Fixed Assets at reasonable intervals and there has been no material discrepancies on such verification.
 - c) According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties are held in the name of the company.
- II.
 - a) The Inventory has been physically verified during the year by the management at rotational basis by which all the items of the Inventory are covered annually. The Inventory auditor has also verified closing Inventory and we have placed reliance on the verification and valuation of the Inventory Auditors. In our opinion the frequency of verification is reasonable. There were no material discrepancies noticed on such verification.
- III. According to the information and explanation given to us, the company has not granted any secured and unsecured loans to companies, firms or other parties listed in the register to be maintained Under Section 189 of the Companies Act, 2013. Hence sub clauses (a), (b) & (c) are not applicable.
- IV. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 with respect to loans, investments, guarantees and securities made.
- V. The Company has not accepted any deposits, whether the directives issued by the Reserve Bank of India and deposits from the public covered under the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under *subject to the instances wherein amounts have been received towards advances which are not supported by documentary evidences*. There have been no instances where order has been passed by Company Law Board or National Company Law Tribunal for any contravention
- VI. According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act for any of the Services rendered by the company.

N. Nityananda & Co
Chartered Accountants

VII.

- a) According to the information and explanations given to us and the records of the company examined by us, the company is regular in depositing with the appropriate authorities undisputed Statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added tax, Cess and any other material statutory dues with the appropriate authorities and no undisputed amounts payable were outstanding as at 31st March 2016 for a period of more than six months from the date they became payable as observed by us during the course of our examination of the books of account carried out in accordance with generally accepted auditing practices in India.
- b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of Income Tax, Sales Tax, Wealth Tax, Service tax, Duty of Custom, Duty of Excise, Value Added tax or Cess as at 31st March 2016, which have not been deposited with the appropriate authorities on account of any dispute except a sum of Rs. 83.08 Lacs towards Environment fee which is under dispute at the Supreme Court of India.

VIII. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to any financial institution, banks or debenture holders as at the Balance sheet date.

IX. The company did not raise any money by way of initial public offer or further public offer during the year. The company has applied the term loans raised during the year under audit for the purposes they were raised.

X. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year nor have we been informed of such cases by the management

XI. According to the information and explanation given to us and based on our examination of the records of the company, the company has complied with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

XII. In our opinion and according to the information and explanations given to us, the company is not a Nidhi company. Accordingly, paragraph 3(xii) of the order is not applicable.

XIII. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

N. Nityananda & Co
Chartered Accountants

- XIV. According to the information and explanations given to us and based on our examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- XV. According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into non-cash transactions with directors or persons connected with him.
- XVI. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Place: Bengaluru
Date: 25-5-2016

for N. NITYANANDA & CO.,
Chartered Accountants
Firm Regn No: 002479S

Sd/-
N.NITYANANDA
(Proprietor)
Membership No.: 020275

N. Nityananda & Co
Chartered Accountants

“Annexure B” to the Independent Auditor’s Report of even date on the Standalone Financial statements of MYSORE STONEWARE PIPES AND POTTERIES LIMITED for the year ended 31st March 2016.

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

We have audited the internal financial controls over financial reporting of Mysore Stoneware Pipes and Potteries Limited as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

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

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

N. Nityananda & Co
Chartered Accountants

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Basis for Qualified opinion

- a) The Company has in its books inventory to the tune of Rs 10124204/-. There is an Internal control weaknesses in the area of Inventory management due to non-maintenance of adequate inventory registers.*

N. Nityananda & Co
Chartered Accountants

Opinion

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

Place: Bengaluru
Date: 25-5-2016

for N. NITYANANDA & CO.,
Chartered Accountants
Firm Regn No: 002479S

Sd/-
N.NITYANANDA
(Proprietor)
Membership No.: 020275

**BALANCE SHEET
AND
STATEMENT OF PROFIT & LOSS
FOR THE YEAR ENDED 31.03.2016**

MYSORE STONEWARE PIPES AND POTTERIES LIMITED, BENGALURU
BALANCE SHEET AS AT 31ST MARCH 2016

(Amount in Rupees)

	Particulars	Note No.	31st March 2016 Rs.	31st March 2015 Rs.
	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	(a) Share capital	1	73,92,000	10,56,000
	(b) Reserves and surplus	2	6,34,21,221	6,40,68,427
	(c) Money received against share warrants			
2	Share application money pending allotment			
3	Non-current liabilities	3	28,29,725	-
	(a) Long term borrowings			
	(b) Deferred tax liabilities (Net)		-	-
	(c) Other Long term liabilities	4	53,50,000	53,50,000
	(d) Long-term provisions	5	10,82,769	12,53,878
4	Current liabilities			
	(a) Short-term borrowings		-	-
	(b) Trade payables		-	-
	Total outstanding dues of Micro Enterprises and Small Enterprises		-	-
	Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	6	58,85,538	33,09,869
	(c) Other current liabilities	7	1,49,74,370	1,95,02,800
	(d) Short-term provisions	8	22,58,626	31,22,169
	TOTAL		10,31,94,249	9,76,63,143
II.	ASSETS			
	Non-current assets			
1	(a) Fixed assets			
	(i) Tangible assets	9	4,13,27,096	3,62,16,366
	(ii) Intangible assets		-	-
	(iii) Capital work-in-progress		-	-
	(iv) Intangible assets under development		-	-
	(b) Non-current investments	10	2,46,43,977	1,96,43,977
	(c) Deferred tax assets (net)	11	42,51,081	39,68,965
	(d) Long-term loans and advances	12	25,47,639	24,00,000
	(e) Other non-current assets		-	-

2	Current assets			
	(a) Current investments		-	-
	(b) Inventories	13	1,01,24,204	1,41,08,171
	(c) Trade receivables	14	23,62,500	12,08,206
	(d) Cash and cash equivalents	15	1,59,27,105	1,90,62,868
	(e) Short-term loans and advances	16	2,06,528	80,134
	(f) Other current assets	17	18,04,119	9,74,456
	TOTAL		10,31,94,249	9,76,63,143
	Significant Accounting Policies and- Notes on Financial Statements	1 to 30	-	-

Place : Bengaluru
Date : 15-05-2016

This is the Balance Sheet referred to in our
report of even date : 25-05-2016
For N.NITYANANDA & CO.
Chartered Accountants.
Firm Registration No. : 002479S

Sd/-
Chairman

Sd/-
Managing Director

Sd/-
Directors

Sd/-
N.NITYANANDA
Proprietor
Membership No. 20275

MYSORE STONEWARE PIPES AND POTTERIES LIMITED, BENGALURU
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2016

(Amount in Rupees)

	Particulars	Note No.	2015-16 Rs.	2014-15 Rs.
I.	Revenue from operations	18	4,19,49,718	4,23,05,727
II.	Other income	19	40,54,233	47,73,065
III.	Total Revenue (I + II)		4,60,03,951	4,70,78,792
IV.	Expenses:			
	Cost of materials consumed	20	42,74,506	49,80,140
	Purchases of Stock-in-Trade		19,36,024	7,77,234
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	21	34,43,399	-3,71,965
	Employee benefits expense	22	48,52,763	45,51,996
	Finance costs	23	2,53,706	4,24,427
	Depreciation and amortization expense	9	63,99,845	78,78,875
	Other expenses	24	2,99,03,284	3,19,86,167
	Total expenses		5,10,63,527	5,02,26,874
V.	Loss before exceptional and extraordinary items and tax (III-IV)		-50,59,576	-31,48,082
VI.	Exceptional items	25	80,14,584	1,73,48,450
VII.	Profit(- Loss) before extraordinary items and tax (V - VI)		29,55,008	1,42,00,368
VIII.	Extraordinary Items	26	-14,05,704	-
	Prior Period Expenses		-	-4,30,000
IX.	Profit/(-Loss) before tax (VII- VIII)		15,49,304	1,37,70,368
X	Tax expense:			
	(1) Current tax		-2,20,000	-29,50,000
	Less: MAT Credit Entitlement		-	2,99,737
	(2) Deferred tax		2,82,116	8,27,039
XI	Profit (Loss) for the period from continuing operations (IX-X)		16,11,420	1,19,47,144
XII	Profit/(loss) from discontinuing operations		-	-
XIII	Tax expense of discontinuing operations		-	-
XIV	Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)		-	-
XV	Profit (Loss) for the period (XI + XIV)		16,11,420	1,19,47,144

XVI	Earnings per equity share of face value of Rs. 10/-. Basic & Diluted	27	2.18	113.14
	Significant Accounting Policies and Notes on Financial Statements	1 to 30		

Place : Bengaluru
Date : 15-05-2016

This is the Statement of Profit & Loss referred to in our report of even date : 25-05-2016
For N.NITYANANDA & CO.
Chartered Accountants.
Firm Registration No. : 002479S

Sd/-
Chairman

Sd/-
Managing Director

Sd/-
Directors

Sd/-
N.NITYANANDA
Proprietor
Membership No. 20275

MYSORE STONEWARE PIPES AND POTTERIES LIMITED, BENGALURU
CASH FLOW STATEMENT FOR THE YEAR 2015-16

(Amount in Rupees)

	2015-16		Rs.	2014-15
	Rs.	Rs.		Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES				
NET PROFIT/LOSS(-) BEFORE EXTRAORDINARY ITEMS AS PER THE STATEMENT OF PROFIT AND LOSS		15,49,304		1,37,70,368
Adjustments for:				
Depreciation and amortisation expense	63,99,845		78,78,875	
Finance Costs	2,53,706		4,24,427	
Sale of Land	-80,12,727		-1,73,48,450	
Dividend income	-5,25,042		-4,38,420	
Profit on Sale of Car	-4,740		0	
Interest income	-19,48,147		-24,43,045	
		-38,37,105		-1,19,26,613
Operating Profit before working capital changes		-22,87,801		18,43,755
Adjustments for :				
Decrease/(Increase) in Trade and other Receivables	-22,57,990		-9,99,959	
Decrease/(Increase) in Inventories	39,83,964		-8,24,740	
(Decrease)/Increase in Trade Payables & other Liabilities	-31,71,543	-14,45,569	6,86,630	-11,38,069
Cash generated from Operations		-37,33,370		7,05,686
Income Taxes		-2,20,000		-26,50,263
Net cash flow from operating activities		-39,53,370		-19,44,577
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of fixed assets & capital Work in progress	-1,18,82,297		-20,42,401	
Disposal of fixed assets	3,76,192		50,00,000	
Purchase of Investments	-50,00,000		-75,00,000	
Proceeds from sale of land	80,13,000		1,73,49,000	
Dividend income	5,25,042		4,38,420	
Interest income	19,48,147		24,43,045	
Net cash from investing activities		-60,19,916		1,56,88,064
C. CASH FLOW FROM FINANCIAL ACTIVITIES				
Proceeds from issue of shares	63,36,000			
Proceeds from long term borrowings	34,02,156			

Interest and Bank charges	-2,53,706		-4,24,427	
Dividend paid including Dividend Distribution tax thereon	-26,46,927		-12,27,336	
Net cash used in financing activities		68,37,523		-16,51,763
NET CHANGE IN CASH AND CASH EQUIVALENTS		-31,35,763		1,20,91,724
CASH & CASH EQUIVALENTS (Opening Balance)		1,70,23,334		49,31,610
CASH & CASH EQUIVALENTS (Closing Balance)		1,38,87,571		1,70,23,334
Reconciliation				
Cash and Cash equivalents				
Cash and cash equivalents as per the Balance sheet		1,59,27,105		1,90,62,868
Less: Short term borrowings (Balance in Cash Credit)		0		0
Less: Fixed deposit having maturity more than 3 months		-1,06,46,066		-20,39,520
Total Cash and cash equivalents		52,81,039		1,70,23,348

Place : Bengaluru
Date : 15-05-2016

This is the Cash flow Statement referred to in our report of even date : 25-05-2016
For N.NITYANANDA & CO.
Chartered Accountants.
Firm Registration No. : 002479S

Sd/-
Chairman

Sd/-
Managing Director

Sd/-
Directors

Sd/-
N.NITYANANDA
Proprietor
Membership No. 20275

MYSORE STONEWARE PIPES AND POTTERIES LIMITED, BENGALURU
SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDING 31ST MARCH 2016

A. General:

a) Basis of Preparation

The financial statements are prepared under the historical cost convention and evaluated on a going concern basis and are in accordance with the generally accepted accounting principles and Accounting Standards as notified under Companies Accounting Standard Rules 2006.

b) Use of Estimates

The preparation of the financial statements is in conformity with Indian GAAP which requires the management of the Company (“Management”) to make estimates and assumptions that affect the reported amounts of revenue and expenses of the year, reported balances of assets and liabilities and disclosures relating to contingent assets and liabilities as of the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

B. Fixed Assets:

Fixed assets are stated at cost, less accumulated depreciation. Cost of acquisition of fixed assets is inclusive of duties and taxes and other incidental expenses, which are directly related to the acquisition of the assets & bringing the assets to its working condition for the intended use.

C. Depreciation:

Depreciation has been provided at after adopting the Schedule II of the Companies Act 2013. The depreciable amount of an asset is the cost of the asset less its residual value. The useful life of the asset is the period over which the asset is expected to be available for use by the entity. The Assets are depreciated on Reducing balance method except for Computers which are depreciated on straight line basis.

The useful life of the asset has been considered based on the management representation and technical estimate for certain assets such as Plant and Machinery, Equipments and Furniture and the useful life for the Buildings has been adopted as prescribed under Part C of the Schedule II of the Companies Act 2013.

D. Impairment of Assets

At each Balance Sheet date, the Company reviews the carrying value of tangible and intangible assets to assess, if there is any indication of impairment based on internal/external factors. An impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is higher of the asset's net selling price or estimated future cash flows which are discounted to their present value based on appropriate discount rates. For the purpose of assessing impairment, assets are grouped at the levels for which there are separately identifiable cash flows (Cash Generating Unit).

E. Revenue Recognition:

Revenue in respect of sale of products (pipes) and sale of fireclay is recognized at the time of despatch of the materials to the customers and in respect of Iron ore raising charges at the time of loading of the iron ore for despatch to the customer and when there exists no uncertainty on the ultimate collection. Income in respect of interest is accounted on accrual basis and Dividends are accounted when the right to receive the dividend is established.

F. Inventories:

Inventories are valued at lower of cost or net realizable value. Cost of work in progress and finished goods includes materials, labour and manufacturing overheads and other costs incurred in bringing those inventories to their present location. Cost is determined using first in First out Basis.

G. Investments

The Long term Investments both Trade, Non-trade, quoted and unquoted are valued at acquisition cost. These are held on Long Term basis. Provision for diminution in the value of long term investments is made only if such a decline is other than temporary in the opinion of management. The Current Investments are valued at cost or Fair value whichever is lower.

H. Employee benefits:

Regular contributions are made to provident fund. Liability for gratuity has been provided based on the number of years of service rendered. Leave encashment has been provided on actuals.

I. Foreign Exchange transactions

Transactions in foreign currencies are recognized at the prevailing exchange rates on the transaction dates. Realised gains and losses on settlement of foreign currency transactions are recognized in the Profit and loss account. Foreign currency denominated monetary assets and liabilities at the year end are translated at the year end exchange rates and the resultant exchange difference is recognized in the Profit and Loss account. Non-monetary foreign currency items are carried at cost.

J. Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to Revenue.

K. Taxation

Provision for current tax is made on the basis of estimated taxable income for the current accounting year in accordance with the Income Tax Act, 1961.

The deferred tax for timing difference between the book and tax profits for the year is accounted for, using the tax rates and laws that have been substantively enacted as of the balance sheet date. Deferred tax assets arising from timing differences are recognized to the extent there is reasonable certainty that these would be realized in future.

L Provisions and Contingent Liabilities

Provisions are recognized when the Company has a present obligation as a result of past events, for which it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions required to settle are reviewed regularly and are adjusted where necessary to reflect the current best estimates of the obligation.

Contingencies are disclosed unless the likelihood of an outflow of resources is remote and there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.

MYSORE STONEWARE PIPES AND POTTERIES LIMITED, BENGALURU
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

1 SHARE CAPITAL

(Amount in Rupees)

Particulars	As at 31st March 2016	As at 31st March 2015
	Rs.	Rs.
Authorised 1,00,00,000 (1,00,00,000) Equity Shares of Rs. 10/- each	10,00,00,000	10,00,00,000
Issued subscribed and fully paid up 7,39,200 (1,05,600) Equity Shares of Rs. 10/- each	73,92,000	10,56,000
Total	73,92,000	10,56,000

1.1 Reconciliation of the number of Equity shares outstanding is set out below

Particulars	As at 31st March 2016		As at 31st March 2015	
	Nos.	Rs.	Nos.	Rs.
Equity Shares outstanding at the beginning of the year	1,05,600	10,56,000	1,05,600	10,56,000
Add: Issued during the year	6,33,600	63,36,000	-	-
Equity Shares outstanding at the end of the year	7,39,200	73,92,000	1,05,600	10,56,000

* The 77th Annual General Meeting held on 2nd August 2014 approved the Right issue which has been effected. The Increased share capital is 739200 Equity Shares of Rs. 10/- each since the company allotted 633600 Equity shares under Right issue authorised in the Board meeting on 7th April 2015.

1.2 The Company has only one class of equity shares having face value of Rs. 10 each. Holder of equity shares is entitled to one vote per share. The dividend if proposed by the Board of Directors is subject to the approval of the shareholders.

1.3 The details of shareholders holding more than 5% shares:

Sl. No.	Name of the Shareholder	As at 31st March 2016		As at 31st March 2015	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding
1	Archana Sanjay	47,798	6.47%	4,594	4.35%
2	Mr. Kapinipathi Rao	15,419	2.09%	15,419	14.60%
3	Mr. R.P. Trivikram	1,29,371	17.50%	12,426	11.77%
4	Mr. Rajeev H Ramohalli	72,283	9.78%	6,947	6.58%
5	Mr. H.N.Shivananjaiah	99,341	13.44%	9,548	9.04%

MYSORE STONEWARE PIPES AND POTTERIES LIMITED, BENGALURU
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

2 RESERVES AND SURPLUS

Particulars	As at 31st March 2016	As at 31st March 2015
	Rs.	Rs.
a) General Reserve		
Opening Balance	1,18,83,941	1,18,83,941
Closing Balance	1,18,83,941	1,18,83,941
b) Surplus: Balance in Statement of Profit and Loss		
Opening balance:	5,21,84,486	4,28,84,269
Add/(Loss): Net Profit/(Loss) for the current Period	16,11,420	1,19,47,144
Less: Proposed Dividends *	-18,48,000	-22,17,600
Less: Dividend Tax Payable	-4,10,626	-4,29,327
Closing Balance	5,15,37,280	5,21,84,486
Total	6,34,21,221	6,40,68,427

3 LONG TERM BORROWINGS

Particulars	As at 31st March 2016	As at 31st March 2015
	Rs.	Rs.
Secured		
Term loans from bank *	28,29,725	-
Total	28,29,725	-

* Secured by hypothecation of Vehicles and collaterally secured by personal Guarantee of Managing Director and other Director. The Loan is repayable at an interest rate of 10.40%

Maturity profile of Secured Term Loans from Canara Bank is as set out below:

	1 - 2 years	2-3 years	> 3 years
Term loans from Banks	633773	710045	1440000

4 OTHER LONG TERM LIABILITIES

Particulars	As at 31st March 2016	As at 31st March 2015
	Rs.	Rs.
(a) Earnest Money Deposit Received	53,50,000	53,50,000
Total	53,50,000	53,50,000

MYSORE STONEWARE PIPES AND POTTERIES LIMITED, BENGALURU
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

5 LONG TERM PROVISIONS

Particulars	As at 31st March 2016	As at 31st March 2015
	Rs.	Rs.
Provision for employee benefits		
Provision for Gratuity	10,82,769	12,53,878
Total	10,82,769	12,53,878

Particulars	As at 31st March 2016	As at 31st March 2015
	Rs.	Rs.
Provision for Gratuity		
Opening Balance	12,53,878	9,38,942
Add: Provided during the year	4,34,589	3,14,936
Less: Paid / transferred during the year	6,05,698	-
Closing balance	10,82,769	12,53,878

6. TRADE PAYABLES

*Particulars	As at 31st March 2016	As at 31st March 2015
	Rs.	Rs.
Dues to Micro, Small and medium Enterprises		-
Others	58,85,538	33,09,869
Total	58,85,538	33,09,869

* There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March 2016. This information as required under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified by the management on the basis of information available with the company.

The Details of amounts outstanding to Micro, Small and Medium enterprises have not been furnished since as per the information available with the company there are no dues to Micro, Small and Medium Enterprises.

MYSORE STONEWARE PIPES AND POTTERIES LIMITED, BENGALURU
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

7 OTHER CURRENT LIABILITIES

*Particulars	As at 31st March 2016	As at 31st March 2015
	Rs.	Rs.
(a) Current maturities of long-term debt	5,72,431	-
(b) Unpaid dividends	8,91,484	21,38,571
(d) Other payables		
i) Liability for expenses	98,72,578	93,94,359
ii) Liability for Statutory Dues	6,92,075	80,896
iii) Advance from customers	29,45,802	78,88,974
Total	1,49,74,370	1,95,02,800

8 SHORT TERM PROVISIONS

*Particulars	As at 31st March 2016	As at 31st March 2015
	Rs.	Rs.
0Others -		
Provision for Taxation (Net)	-	4,75,242
Provision for Dividend	18,48,000	22,17,600
Provision for Dividend distribution Tax	4,10,626	4,29,327
Total	22,58,626	31,22,169

Particulars	As at 31st March 2016	As at 31st March 2015
	Rs.	Rs.
Provision for Leave encashment		
Opening Balance	-	-
Add: Incurred during the year	63,570	93,951
Less: Paid during the year	63,570	93,951
Closing balance	-	-

As per the Leave encashment policy of the company, the leave salary being a short term benefit is provided for eligible employees on actual basis on the basis of the balance of leave if any standing to the credit of the employees. During the current year the the leave encashment has been paid before the Reporting date.

MYSORE STONEWARE PIPES AND POTTERIES LIMITED, BENGALURU

Notes on Financial Statements for the year ended 31st March 2016

9. FIXED ASSETS & DEPRECIATION

(Amount in Rupees)

Particulars	Gross Carrying Value				Depreciation / Amortisation				Net Carrying Value	
	As at 1st April 2015	Additions	Disposals	As at 31st March 2016	Upto 1st April 2015	Depreciation charge for the year	Adjustments during the year	Upto 31st March 2015	As at 31st March 2016	As at 31st March 2015
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Tangible Assets										
Land	1,18,952	64,67,630	273	65,86,309	-	-	-	-	65,86,309	1,18,952
Factory Buildings	2,68,81,959	80,150	-	2,69,62,109	1,24,41,988	13,90,453	-	1,38,32,441	1,31,29,668	1,44,39,971
Other Buildings	30,20,824	-	-	30,20,824	13,23,851	1,84,640	-	15,08,491	15,12,333	16,96,973
Water Pipelines	6,96,280	-	-	6,96,280	1,76,210	52,548	-	2,28,758	4,67,522	5,20,070
Plant and Equipment	7,11,86,543	-	-	7,11,86,543	5,27,44,730	43,53,026	-	5,70,97,756	1,40,88,787	1,84,41,813
Computers	3,10,040	-	-	3,10,040	2,71,106	6,515	-	2,77,621	32,419	38,934
Furniture and Fixtures	5,75,226	2,54,487	-	8,29,713	4,63,990	51,359	-	5,15,349	3,14,364	1,11,236
Vehicles	27,55,093	50,17,880	15,86,108	61,86,865	20,00,122	3,32,102	12,14,658	11,17,566	50,69,299	7,54,970
Office equipment	1,48,308	62,150	-	2,10,458	54,861	29,202	-	84,063	1,26,395	93,447
Total	10,56,93,225	1,18,82,297	15,86,381	11,59,89,141	6,94,76,858	63,99,845	12,14,658	7,46,62,045	4,13,27,096	3,62,16,366
Previous year	(10,36,51,374)	(20,42,401)	(550)	(10,56,93,225)	(6,15,97,984)	(78,78,875)	-	(6,94,76,859)	(3,62,16,366)	(4,20,53,390)

1 The Company has computed the Depreciation as per the Companies Act 2013 on the basis of useful life.

2 The Fixed assets of the company includes a Wet Pan Mill which is not in use. However the company proposes to sell the Machinery at a value higher than the carrying value and hence no impairment is considered necessary.

MYSORE STONEWARE PIPES AND POTTERIES LIMITED, BENGALURU

10. NON CURRENT INVESTMENTS

Particulars	As at 31st March 2016	As at 31st March 2015
	Rs	Rs
Other Investments (Refer A below)		
Long term, trade, unquoted ,at cost,		
a) Equity instruments	12,08,060	12,08,060
Long term, non trade, unquoted , at cost,		
b) Tax Free Bonds	60,00,000	10,00,000
c) Investments in Mutual funds	1,00,41,000	1,00,41,000
d) Non Convertible Debentures	73,94,917	73,94,917
Market Value of the Mutual Funds is Rs.11604725/- (PY Rs. 11917000/-)		
Total	2,46,43,977	1,96,43,977

* Some of the Mutual Funds which were initially Short term investments were reclassified as Long term investments in earlier years and hence are valued at Fair value as on the date of Reclassification.

Particulars	As at 31st March 2016	As at 31st March 2015
	Rs	Rs
Aggregate amount of unquoted investments	2,46,43,977	1,96,43,977

MYSORE STONEWARE PIPES AND POTTERIES LIMITED, BENGALURU
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

A Details of Other Investments												
Sl. No.	Name of the Body Corporate	Subsidiary / Associate / JV / Controlled Entity / Others	No. of Shares / Units		Quoted / Unquoted	Party Paid / Fully Paid	Extent of Holding (%)		Amount (Rs.)		Whether stated at Cost	If Answer to Column (9) is 'No' - Basis of Valuation
			As at 31st March 2016	As at 31st March 2015			As at 31st March 2016	As at 31st March 2015	As at 31st March 2016	As at 31st March 2015		
a)	Investment in Equity Instruments - Global Pipe Engineering Systems India Private Limited	Associate Company	2,41,612	2,41,612	Unquoted	Fully Paid up	33.33%	33.33%	12,08,060.00	12,08,060.00	No	The diminution is based on the Management's estimate

MYSORE STONEWARE PIPES AND POTTERIES LIMITED, BENGALURU
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

11 DEFERRED TAXES ASSET

Particulars	As at 31st March 2016	As at 31st March 2015
	Rs.	Rs.
Deferred Tax asset		
Related to Fixed assets	22,70,632	20,56,094
Disallowances under Income Tax Act 1961	19,80,449	19,12,871
Total	42,51,081	39,68,965

12 LONG TERM LOANS AND ADVANCES

Particulars	As at 31st March 2016	As at 31st March 2015
	Rs.	Rs.
Other Loans and Advances		
Unsecured and considered good		
Intercompany Deposits	20,00,000	20,00,000
Capital advances	4,00,000	4,00,000
Advance Tax (Net)	1,47,639	-
Total	25,47,639	24,00,000

13 INVENTORIES

Particulars*	As at 31st March 2016	As at 31st March 2015
	Rs.	Rs.
Finished Goods	1,00,85,074	1,33,57,320
Stock in trade	0	1,71,153
Inventory of Pet Coke & Spares	39,130	5,79,698
Total	1,01,24,204	1,41,08,171

14 TRADE RECEIVABLES

Particulars	As at 31st March 2016	As at 31st March 2015
	Rs.	Rs.
Unsecured, considered good		
Trade Receivables *	23,62,500	12,08,206
Total	23,62,500	12,08,206

* Includes Rs'.686171/- (Previous Year Rs. 185706/-) being Trade receivables in respect of goods sold is outstanding for a period exceeding six months from the date they are due for payment

MYSORE STONEWARE PIPES AND POTTERIES LIMITED, BENGALURU
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

15 CASH AND CASH EQUIVALENTS

Particulars	As at 31st March 2016	As at 31st March 2015
	Rs.	Rs.
a. Balances with banks*	1,59,19,152	1,90,10,144
b. Cash on hand	7,953	52,724
Total	1,59,27,105	1,90,62,868

* Balance with banks includes unclaimed Dividend of Rs. 8,99,486/- (Previous year Rs. 21,56,838/-) & NIL (PY NIL) payable towards Investor Protection fund.

* Balance with Banks includes Term Deposits of NIL (Previous Year Rs. 2039501/-) with more than 12 months Maturity and are held as security deposit against a Bank Guarantee which is expired during 2012-13 and the company is in the process of releasing the Lien.

16 SHORT TERM LOANS AND ADVANCES

Particulars	As at 31st March 2016	As at 31st March 2015
	Rs.	Rs.
Unsecured, considered good		
a. Loans and advances to related parties		-
b. Others		
- Advances to Suppliers and others	36,693	52,044
- Prepaid Expenses	1,69,835	28,090
Total	2,06,528	80,134

17 OTHER CURRENT ASSETS

Particulars	As at 31st March 2016	As at 31st March 2015
	Rs.	Rs.
Security Deposits	13,34,923	9,54,923
Interest Accrued on Investments	27,518	19,533
VAT Refundable	4,41,678	-
Total	18,04,119	9,74,456

MYSORE STONEWARE PIPES AND POTTERIES LIMITED, BENGALURU
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

(Amount in Rupees)

18. REVENUE FROM OPERATIONS

Particularas	2015-16	2014-15
	Rs.	Rs.
Sale of products	4,25,39,822	4,23,05,727
Less: Discount	5,90,104	-
Net Sales	4,19,49,718	4,23,05,727
Total	4,19,49,718	4,23,05,727

18.1 PARTICULARS OF SALE OF PRODUCTS

	2015-16	2014-15
	Rs.	Rs.
Stoneware pipes	4,22,88,858	4,21,14,955
Sale of Manhole Covers	2,50,964	1,90,772
Total	4,25,39,822	4,23,05,727

There are no distinctly identifiable segments in the operation of the company. However the above additional details are provided

19 . OTHER INCOME

Particularas	2015-16	2014-15
	Rs.	Rs.
Interest Income	19,48,147	24,43,045
Dividend Income on Long Term Investments	5,25,042	4,38,420
Transportation charges on SW Pipes	9,74,178	16,11,875
Liabilities no longer required to be written back	3,39,025	20,000
Miscellaneous Income	2,67,841	2,59,725
Total	40,54,233	47,73,065

MYSORE STONEWARE PIPES AND POTTERIES LIMITED, BENGALURU
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

20. COST OF MATERIALS CONSUMED

Particulars	2015-16	2014-15
	Rs.	Rs.
Imported	-	
Indigenous	42,74,506	49,80,140
Total	42,74,506	49,80,140

20.1. Particulars of Raw Materials Consumed

Particulars	2015-16	2014-15
	Rs.	Rs.
Consumption of Clay	42,74,506	49,80,140
Total	42,74,506	49,80,140

21. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS & STOCK IN TRADE.

Particulars	2015-16	2014-15
	Rs.	Rs.
Accretion to Finished Goods		
Inventories (At Commencement)		
Finished Goods	1,33,57,320	1,28,14,201
Inventories (At Close)		
Finished Goods	1,00,85,074	1,33,57,320
	-32,72,246	5,43,119
Decretion to Stock in Trade*		
Inventories (At Commencement)		
Stock in Trade	1,71,153	3,42,307
Inventories (At Close)		
Stock in Trade	-	1,71,153
Total	-1,71,153	-1,71,154
Grand Total	-34,43,399	3,71,965

* Represents write off of the balance of Fire clay

MYSORE STONEWARE PIPES AND POTTERIES LIMITED, BENGALURU
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

22. EMPLOYEE BENEFITS EXPENSE

Particulars	2015-16	2014-15
	Rs.	Rs.
(a) Salaries and incentives	39,96,971	38,69,409
(b) Contributions to Provident Fund and other Funds	97,871	87,257
(c) Gratuity Expense	4,34,589	3,14,936
(d) Staff welfare expenses	3,23,332	2,80,394
Total	48,52,763	45,51,996

22.1. As per Accounting Standard 15 “ Employee Benefits”, the disclosures as defined in the Accounting Standard are as below:

a. Contribution to Defined Contribution Plans, recognised as expense for the year is as under:

Particulars	2015-16	2014-15
	Rs.	Rs.
Employer’s contribution to Provident Fund	26,249	20,966
Employer’s contribution to Pension fund	41,625	49,445

b Defined Benefit Plan

The gratuity expense of Rs. 434589/- (Previous Year Rs. 314936/-) is provided additionally for the year with respect to the employees, which is recognized based on the number of years of service rendered.

The company has not carried out actuarial valuation but provided for gratuity liability on actuals on the basis of the number of years of service rendered by the employees on the rolls of the company. The company has on its rolls number of Employees less than the prescribed limit.

As per the Leave encashment policy of the company, the leave salary being a short term benefit is provided for eligible employees on actual basis.

MYSORE STONEWARE PIPES AND POTTERIES LIMITED, BENGALURU
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

23. FINANCE COSTS

Particulars	2015-16	2014-15
	Rs.	Rs.
Interest expense	1,39,403	2,51,508
Bank Charges	1,14,303	1,72,919
Total	2,53,706	4,24,427

24. OTHER EXPENSES

Sl. No. Particulars	2015-16	2014-15
	Rs.	Rs.
1 Consumption of General Stores	81,86,722	98,28,640
2 Power & Fuel	1,01,37,278	1,06,60,409
3 Rent	4,94,626	3,91,673
4 Repairs to building	2,40,388	1,36,458
5 Repairs to machinery	-	19,389
6 Insurance	22,217	8,343
7 Labour Charges	29,24,706	34,07,464
8 Transportation charges	9,46,810	16,80,750
9 Legal & Professional Fees	31,28,941	16,59,360
10 Environmental expenses	-	7,87,400
11 Expenses on sales	3,46,561	74,594
12 Rates & taxes	8,97,340	9,90,769
13 Travel and Conveyance	6,04,344	8,27,541
14 Advertisement	1,46,564	37,554
15 Telephone & Internet Charges	2,03,102	1,19,222
16 Audit fees	2,42,880	2,18,146
17 Directors sitting fees	1,06,750	30,500
18 Vehicle Maintenance	2,31,724	1,06,833
19 Postage and printing	2,20,945	1,87,767
20 Other Expenses	8,21,386	8,13,355
Total	2,99,03,284	3,19,86,167

* Power Consumption is shown net of recoveries of Rs. 485700/- (PY Rs. 398246/-)

MYSORE STONEWARE PIPES AND POTTERIES LIMITED, BENGALURU
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

24.1

Sr. No.	Audit fees	2015-16	2014-15
		Rs.	Rs.
	Payments to the Auditor as		
1	a. Auditor,	1,80,000	1,25,000
2	b. for taxation matters,	15,000	10,000
3	c. for company law matters,		
4	d. for other services,	47,880	83,146
	TOTAL	2,42,880	2,18,146

24.2. Expenditure in Foreign Currency - NIL

25. EXCEPTIONAL ITEMS		
Particulars	2015-16	2014-15
	Rs.	Rs.
Profit on Sale of land	80,12,727	1,73,48,450
Provision no longer required	1,857	
TOTAL	80,14,584	1,73,48,450

26. EXTRAORDINARY ITEMS		
Particulars	2015-16	2014-15
	Rs.	Rs.
Expenses on issue of Right Shares	14,05,704	
TOTAL	14,05,704	

27. EARNING PER SHARE		
Particulars	2015-16	2014-15
	Rs.	Rs.
Profit after Taxation	16,11,420	1,19,47,144
Add: Prior period items	-	-4,30,000
Less: Exceptional Items	80,14,584	1,73,48,450
Less: Extraordinary items	14,05,704	1,42,00,368
Net profit	-64,03,164	-58,31,306
No. of shares outstanding	7,39,200	1,05,600
Earning per share after Prior Period and Exceptional items	2.18	113.14
Earning per share before Prior Period and Exceptional items	-8.66	-55.22

MYSORE STONEWARE PIPES AND POTTERIES LIMITED, BENGALURU
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

27. Contingent liabilities and Commitments	2015-16	2014-15
	Rs.	Rs.
(i) Contingent Liabilities		
(a) Guarantees	-	-
(b) Other money for which the company is contingently liable*	-	-
(ii) Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-

***Others**

- 27.1 The Report of Karnataka Lokayuktha on illegal Mining in Karnataka has included the mining activities of Iron ore and also others(Eg: Clay mining) in the Company's case. The matter has been decided by the Hon'ble Supreme Court restricting the Mining by the company. The company is contesting the above decision. The financial liability of the Company on the mining activities carried out arising out of the above judgement is not ascertainable.
- 27.2 Liability in respect of dispute before various Revenue authorities (11 Cases) on portion of Company's land which is not ascertainable
- 27.3 There is a dispute over iron ore mining rights and a litigation is pending against the company before the Hon'ble High Court of Karnataka, which has been raised by a party. Liability in respect of this dispute is not ascertainable.
- 27.4 One of the erstwhile director and others have filed a petition before the Company Law Board against the Company and the current Board of Directors, the effect of the charges alleged by the petitioners and its liability is not ascertainable.

MYSORE STONEWARE PIPES AND POTTERIES LIMITED, BENGALURU
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

28 RELATED PARTY DISCLOSURES

		2015-16 Rs.	2014-15 Rs.
Name of the party & Relationship with the Company			
1	Supra Exports A proprietary concern of one of Smt. Sudha Trivikram (Director upto 10th September 2015)		
	Nature of Transactions Leasing of Building		
	Volume of Transactions during the year		
	Rental Charges	2,52,000	2,52,000
	Reimbursement towards Power consumption & Others	4,82,940	3,98,246
	Security Deposit	1,00,000	1,00,000
	Outstanding Credit balance as on 31/03/2016 - (credit)	76548 /- (cr)	88/- (cr)
2	Global Pipe Engineering & Systems India Private Limited Associate Company		
	Nature of Transactions Sale and Purchase of Pipes		
	Volume of Transactions during the year		
	Sale of Pipes	62,26,946	86,69,182
	Purchase of Pipes	4,00,117	7,13,547
	Amount Written off during the year	47,861	-
	Outstanding balance as on 31/03/2016	NIL	NIL

MYSORE STONEWARE PIPES AND POTTERIES LIMITED, BENGALURU
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

RELATED PARTY DISCLOSURES		2015-16 Rs.	2014-15 Rs.
Payments to Key Management Personnel			
Dividends paid			
	Managing Director		
	(Upto 10th		
	September		
Sri R.P. Trivikram & other Relatives	2015)	4,50,906	1,73,700
Smt. Sudha Trivikram	Director	1,35,900	24,910
	Managing		
	Director		
	(from 17th		
	September		
Sri. Karthik R.K. & Relatives	2015)	1,31,886	43,330
Sri. Rajiv H Ramohalli & Relatives	Wholtime Director	2,30,895	72,350
Sri. H.K. Nanjundaswamy	Director	10,926	3,500
Sri. C.Vivekanand & Relatives	Director	81,279	23,080
Sri. Sanjay Jayatsen	Director	1,55,568	3,900
Sri. Shivananjaiah H.N	Director	3,12,288	93,600
Sitting Fees paid			
Sri. H.K. Nanjundaswamy	Director	19,250	6,500
Smt. Sudha Trivikram	Director	9,000	6,000
Sri. C.Vivekanand	Director	21,000	6,000
Sri. Sanjay Jayatsen	Director	21,000	6,000
Sri. M.N Ramu	Director	12,500	-
Sri. M.M Anandaram	Director	9,000	-
Sri. Shivananjaiah	Director	15,000	6,000

MYSORE STONEWARE PIPES AND POTTERIES LIMITED, BENGALURU
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

RELATED PARTY DISCLOSURES		2015-16 Rs.	2014-15 Rs.
Managerial Remuneration			
Sri R.P. Trivikram	Managing director upto		
Remuneration	10th September	5,00,000	12,00,000
Gratuity	2015	-	57,692
Medical Expenses		1,00,000	-
Leave encashment		-	50,000
Sri. R.K.Karthik	Executive director		
Remuneration	upto 10th September	7,99,567	5,40,000
Medical Expenses	2015 and Managing	61,797	45,000
Gratuity	director from 17th	2,07,693	25,962
	September 2015		
Sri. Rajiv H Ramohalli	Whole Time director		
Remuneration		6,36,500	5,40,000
Gratuity		1,03,846	25,962
Sri. Shivananjaiah	Whole Time director		
Remuneration		3,86,000	-
Gratuity		34,615	-

MYSORE STONEWARE PIPES AND POTTERIES LIMITED, BENGALURU
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

29. LEASE DISCLOSURE

Lessee Disclosure

The company has an operating lease with respect to the office premises for which a monthly rent of Rs. 45,000/- (Previous Year Rs. 32,504/-) is being paid.

The amount of Lease rentals paid which is recognized in the Statement of profit and loss is Rs. 494626/- (Previous Year Rs. 3,91,673/-)

Lessor Disclosure

The company has leased out a part of its factory premises. The factory premise is quite old and the gross value of the same is difficult to ascertain. The cost of those premises has been fully depreciated as on date.

As Accounting Standard 19 on leases is not applicable to Lease agreements to explore natural resources & other mineral rights, no disclosure is considered necessary with respect to Mining Lease.

30. OTHER NOTES

30.1. The Companies shares were listed with the Bangalore Stock Exchange Limited. The Bangalore Stock Exchange Limited subsequently became non operational due to lack of trading activity on its platform. Due to which Bangalore Stock Exchange Limited opted for voluntary surrender of recognition and exit, through its letter dated 8th October 2013 to SEBI, under the provisions of Circular No. CIR/MSD/DSA/14/2012 dated May 30,2012 (hereinafter referred to as "Exit Circular, 2012") issued by SEBI with respect to voluntary surrender of recognition and exit, in modification of their earlier circular issued in this regard. SEBI vide its order WTM/RKA/MRD/165/2014, dated 26th December 2014 allowed the exit of Bangalore Stock Exchange Limited as a stock exchange. One of the conditions specified in the "Exit Circular, 2012" requires the companies exclusively listed on the stock exchange seeking exit, to list their securities on any other recognized stock exchange, failing which they will cease to be a listed company and will be moved to the dissemination board by the existing stock exchange. The Company currently has not listed its securities on any other recognized stock exchange nor has the Company initiated any process to list its securities with any other Stock Exchange nor has any intentions to do so. Hence the Financial Statements have been prepared on the presumption that the Company is not a listed Company. An expert opinion from a Practising Company Secretary has been obtained which confirms the correctness of this stand of the Management of the Company.

- 30.2. The Company has in its books Investments with an Associate Ms Global Pipe Engineering & Systems India Private Limited to the tune of Rs. 24166120/- (PY Rs.. 2416120/-) the value of which has been diminished to Rs. 1208060/- (PY Rs. 1208060/-). The Networth of the Associate company is fully eroded and the Going Concern is threatened. The management is of the opinion that there is no further dimunition other than temporary and is hopeful of realising the investment at the value carried in the books.
- 30.3. The Environment fees includes a sum of Rs. NIL/- (PY Rs.. 787400/-) charged on the basis of the balance lease period out of the total Environment fee demanded for Rs.. 10308480/- in the year 2008-09 . The environment fee payable out of the total fee demanded, outstanding as at 31st March 2016 Rs. 8308480/- (PY Rs.. 8308480/-) is included in Liabilities for Expenses.
- 30.4. Confirmation of balances have not been received on certain balances with third parties and including Earnest Money Deposit from Scorpio Minerals Rs. 4550000/- (PY Rs. 4550000/-), Advances received towards Sale of Site Rs. 1624000/- (RS.6501000/-), Environmental Fees payable Rs. 8308480/- (Rs. 8308480/-) and Intercorporate Deposit paid to Sprism Investments Rs. 2000000/- (Rs. 2000000/-), Capital advances paid Rs. 400000/- (Rs. 400000/-). However the management is of the opinion that the stated balances are correct and are receivable/payable at the stated values respectively.
- 30.5. Previous year's figures have been regrouped and rearranged to make them comparable with current year's presentation.

As per our report of even date.

Place : Bengaluru
Date : 15-05-2016

This is the Cash flow Statement
referred to in our report of even
date : 25-05-2016
For N.NITYANANDA & CO.
Chartered Accountants.
Firm Registration No. : 002479S

Sd/-
Chairman

Sd/-
Managing Director

Sd/-
Directors

Sd/-
N.NITYANANDA
Proprietor
Membership No. 20275

Form No. MGT-11

Proxy form

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

Corporate Identification Number : **U26913KA1937PLC000197**
Name of the company : **Mysore Stoneware Pipes and Potteries Limited**
Registered office : No. 452, 11th Cross, 6th Main, Sadashivanagar,
Bangalore- 560080, Karnataka
Name of the member (s) :
Registered address :
E-mail Id :
Folio No/ Client ID :
DP ID :

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

1.	Name	:	
	Address	:	
	E-mail ID	:	
	Signature	:	, or failing him

1.	Name	:	
	Address	:	
	E-mail ID	:	
	Signature	:	, or failing him

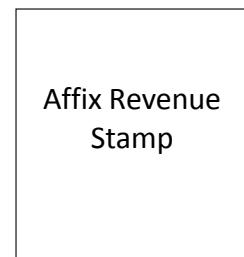
1.	Name	:	
	Address	:	
	E-mail ID	:	
	Signature	:	, or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 79th Annual General Meeting of the company, to be held on the 27th day of June, 2016 at 11.00 a.m. at Hotel Bangalore International, 2A-2B, Crescent Road, High Grounds, Near Race Course, Bengaluru, Karnataka – 560001, India, and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.:

- 1.....
- 2.....
- 3.....
- 4.....
- 5.....
- 6.....
- 7.....
- 8.....
- 9.....
- 10.....
- 11.....
- 12.....
- 13.....

Affix Revenue Stamp
Signed this..... day of..... 2016



Signature of shareholder

Signature of Proxy holder(s)

Note:

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

MYSORE STONEWARE PIPES AND POTTERIES LIMITED

Registered Office: No. 452, 11th Cross, 6th Main, Sadashivanagar, Bangalore- 560080, Karnataka
Corporate Identification Number: U26913KA1937PLC000197, Email Id: msppoffice@gmail.com
Phone no. 080-23614696, Fax – 080-23614697, Website - mysorestonewarepipes.com

ATTENDANCE SLIP

Members or their proxies are requested to present this form for admission, duly signed in accordance with their specimen signatures registered with the Company.

Regd. Folio. No/DP.Id/ Client id	
Name of shareholder:	
Address of shareholder:	
Proxy Name:	
Address of proxy:	

I/We hereby record my/our presence at the 79th Annual General Meeting of the Company being held on 27th day of June, 2016 at 11.00 am Hotel Bangalore International, 2A-2B, Crescent Road, High Grounds, Near Race Course, Bengaluru, Karnataka – 560001, India.

Please (ü) in the box

1. Member
2. Proxy

Signature of member/Proxy