



# SHESHADRI INDUSTRIES LIMITED

**CIN No. L17291AP2009PLC064849**

Date: 11<sup>th</sup> October 2018

To  
The Department of Corporate Services,  
BSE Limited,  
P J Towers, Dalal Street,  
Mumbai-400 001

Dear Sir,

**Sub: Submission of Annual Report for the year 2017-18**  
**Scrip Code: 539111**

With reference to the cited subject, pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 we are herewith submitting the Annual Report of the Company for the year 2017-18.

We request you to take the above information on record and acknowledge the receipt of the same.

Thanking you

Yours faithfully  
**For Sheshadri Industries Limited**

  
**Jeetender Kumar.Agarwal**  
**Managing Director**

Encl: as above



# Annual Report 2017-2018



**S**HESHADRI **I**NDUSTRIES **L**IMITED





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## CORPORATE INFORMATION

### BOARD OF DIRECTORS

**Sri Jeetender Kumar Agarwal**

Managing Director & CFO

**Sri Surender Kumar Agarwal**

Independent Director

**Sri Manish Gupta**

Independent Director

**Smt Sushma Gupta**

Independent Director

### Auditors

M/s. K.S.Rao & Co.

Flat No. 602, Golden Green Apartments,  
Irrum Manzil Colony,  
Hyderabad - 500082

### Bankers

Andhra Bank

State Bank of India

*(Previously State Bank of Hyderabad)*

ICICI Bank Limited

### Registered Office

6th Floor, Surya Towers,

105, S.P.Road

Secunderabad – 500003, Telangana

Website: [www.sheshadri.in](http://www.sheshadri.in)

Email: [info@sheshadri.in](mailto:info@sheshadri.in)

CIN: LI 7291AP2009PLC064849

Phone: 91-40-30512700

Fax: 91-40-30512725

### Audit Committee

Sri Surender Kumar Agarwal

Sri Manish Gupta

Sri Jeetender Kumar Agarwal

### Stakeholders' Relationship Committee

Sri Surender Kumar Agarwal

Sri Jeetender Kumar Agarwal

### Nomination & Remuneration Committee

Sri Surender Kumar Agarwal

Sri Manish Gupta

Smt Sushma Gupta

ISIN: INE193R01019

Listed on BSE Limited

Scrip Code: 539111

### Registrar and Share Transfer Agents

Karvy Computershare Private Limited

Karvy Selenium Tower B, Plot No 31 & 32, Gachibowli,  
Financial District, Nanakramguda, Serilingampally,  
Hyderabad – 500032

Tel No. 040-67161606, Fax No. 040-23420814

e-mail: [einward.ris@karvy.com](mailto:einward.ris@karvy.com)

Website: [www.karvycomputershare.com](http://www.karvycomputershare.com)

### FACTORIES

#### Unit I:

Spinning Division

Rajna, Pandhurna (Tq.), Chindwara (Dist.)

Madhya Pradesh – 480 340

#### Unit II:

Garments Division

Aliabad, Medchal (Tq.)

Ranga Reddy (Dist.), Telangana – 500 078



## NOTICE

NOTICE is hereby given that the 9<sup>th</sup> Annual General Meeting of the Members of Sheshadri Industries Limited will be held on **Saturday, 29<sup>th</sup> day of September, 2018 at 10.30 A.M. at Gayatri Gardens, Survey No. 26, Sikh Village, Near Diamond Point Hotel, Secunderabad - 500009** to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements for the financial year ended 31<sup>st</sup> March, 2018 and the Reports of the Directors and Auditors thereon.
2. To appoint a director in place of Sri Jeetender Kumar Agarwal, who retires by rotation and, being eligible, offers himself for reappointment.

### SPECIAL BUSINESS

3. To consider, and if thought fit, to pass the following resolution with or without modification(s) as a **Special Resolution**.

“RESOLVED THAT pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 and the relevant Rules framed there under (including any statutory modification(s) or reenactment thereof, for the time being in force), and the enabling provisions in the Memorandum of Association and Articles of Association of the Company and subject to such other approvals, sanctions, consents and permissions as may be deemed necessary be obtained from the appropriate authorities to the extent applicable and necessary, approval and consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (the “Board”), to sell or transfer or otherwise dispose of whole or substantially the whole of the undertaking including any lands and buildings owned by the company constituting as an undertaking of the Company on such terms and conditions at such time(s) and in such form and manner, as the Board in its absolute discretion thinks fit in favour of any entity/Bank at market price or at such price as may be mutually decided.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do and perform all such acts, deeds, matters and things, as may be necessary, including finalizing the terms and conditions, methods and modes in respect thereof, determining the exact effective date, if needed to be changed and finalizing and executing necessary documents, its registration with appropriate authorities, including contracts, schemes, agreements, deeds of assignment / conveyance and such other documents, file applications and make representations in respect thereof and seek approval from appropriate authorities, including Statutory or Governmental authorities in this regard and deal with any matters, take necessary steps as the Board may in its absolute discretion deem necessary, desirable or expedient to give effect to this resolution and to settle any questions that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board, be and is hereby authorised to delegate all or any of the powers herein above conferred, to any Director or Committee of Directors or Company Secretary or any other Officer(s) / Authorised Representative(s) of the Company to give effect to the aforesaid resolution.

RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter referred to or contemplated in any of the foregoing resolution are hereby approved, ratified and confirmed in all respects.”

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

“RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 and rules made there under (including any statutory modification(s) or reenactment thereof for the time being in force), the approval of the Members of the Company be and



is hereby accorded to the Board of Directors, to enter into contract for manufacturing of readymade Garments with M/s Ishayu Garments, Nalgonda, a 'related party' as defined under Section 2(76) of the Companies Act, 2013 relating to manufacturing of readymade Garments for an estimated amount upto Rs.50 crores during a financial year on such terms and conditions as may be mutually agreed upon between the Company and M/s Ishayu Garments, Nalgonda."

**"RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorized to decide upon the nature and value of the contract for Rs.50 crores to be transacted with M/s Ishayu Garments, Nalgonda."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to do all such acts, matters, deeds and things as may be necessary to give effect to the above resolution."

By order of the Board  
For **Sheshadri Industries Limited**

Place: Secunderabad  
Date:14.08.2018

**Jeetender Kumar Agarwal**  
Managing Director



## NOTES:

1. The register of members and share transfer books of the Company will be closed from 23<sup>rd</sup> September, 2018 to 29<sup>th</sup> September, 2018 (both days inclusive) for the purpose of Annual General Meeting.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. The holder of the proxy shall prove his/her identity at the time of attending the meeting.
3. A member holding more than 10% of the total share capital may appoint a single person as Proxy and such person shall not act as Proxy for any other person or member. The Instrument appointing the proxy should be deposited at the registered office of the company not less than forty-eight hours before the commencement of the meeting.
4. The shareholder desiring any further information as regards the accounts are requested to write to the Company so as to reach it at least one week prior to the date of the meeting for consideration of the management to deal at the meeting.
5. Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.
6. Members may note that the Notice of the 9<sup>th</sup> AGM and the Annual Report for FY 2017-18, copies of audited financial statements, Directors' report etc., will also be available on the website of the company, [www.sheshadri.in](http://www.sheshadri.in) for download. Members holding shares in electronic mode are therefore requested to keep their email address updated with the Depository Participants. Members holding shares in physical mode are also requested to update their email addresses by writing to the Registrar and Transfer Agent of the Company at the address M/s Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot No 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032, Telangana.
7. SEBI has decided that securities of listed companies can be transferred only in dematerialised form w.e.f. December 5, 2018. In view of the above and to avail various benefits of dematerialization, members are advised to dematerialise shares held by them in physical form.
8. **E-Voting :**
  - (i) Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements), 2015, the Company is pleased to provide to its Members, the facility to cast their vote electronically, through the e-voting services provided by Karvy Computershare Private Limited (KCPL) on all resolutions set forth in this Notice. The members may cast their votes using an electronic voting system from a place other than the venue of the Meeting ('remote e-voting').
  - (iii) The facility for voting through Ballot form shall be made available at the Meeting and the members attending the Meeting who have not cast their vote by remote e-voting shall be able to vote at the Meeting through Ballot form.
  - (iv) A Member can opt for only single mode of voting i.e. either through e-voting or by Ballot Form. If a Member casts votes by both modes then voting done through e-voting shall prevail and vote by Ballot shall be treated as invalid. The members who have cast their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote again.
  - (v) The Board of Directors of the Company has appointed Smt Rashida Adenwala, Practising Company Secretary, Partner, R & A Associates, Hyderabad as Scrutinizer to voting process (e-voting and ballot) in a fair and transparent manner and she has communicated her willingness to be appointed and will be available for same purpose.





- (vi) **Voting rights shall be reckoned on the paid-up value of shares registered in the name of the member / beneficial owner (in case of electronic shareholding) as on the cut-off date i.e. 22<sup>nd</sup> September 2018.**
- (vii) **A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, i.e. 22<sup>nd</sup> September 2018 only shall be entitled to avail the facility of remote e-voting as well as voting at AGM through ballot form.**
- (viii) Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e. 22<sup>nd</sup> September 2018, may obtain the User ID and password by writing to Karvy at [evoting@karvy.com](mailto:evoting@karvy.com) or contact 040-67161606 or Toll Free No.1800 3454 001. However, if the person is already registered with Karvy for remote e-voting then the existing user ID and password can be used for casting vote.
- (ix) The remote e-voting facility will be available during the following period:
- Commencement of remote e-voting: From 9.00 a.m. (IST) on 26<sup>th</sup> September 2018**
- End of remote e-voting: Up to 5.00 p.m. (IST) on 28<sup>th</sup> September 2018**
- The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting Module shall be disabled by Karvy upon expiry of aforesaid period.
- (x) The Scrutinizer, after scrutinising the votes cast at the meeting and through remote e-voting, will, after the conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company [www.sheshadri.com](http://www.sheshadri.com) and on the website of Karvy <https://evoting.karvy.com>. The results shall simultaneously be communicated to BSE Limited.
- (xi) Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e. 29<sup>th</sup> September 2018.
- (xii) **Instructions and other information relating to remote e-voting:**
- A. **In case of Members receiving Notice through mail:**
- a. Open e-mail and open PDF File viz. "Sheshadri Industries.pdf" with you client ID or folio No. as password. The said PDF File contains your user ID and password for e-voting. Please note that the password is an initial password.
  - b. Use the following URL for e-voting: From Karvy website: <http://evoting.karvy.com>
  - c. Shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date, may cast their vote electronically.
  - d. Enter the login credentials. In case of physical folio, User ID will be EVEN number followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
  - e. After entering the details appropriately, click on LOGIN.
  - f. You will reach the Password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.,). The system will prompt you to change your password and update any contact details like mobile, email etc., on first login. You may also enter the secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
  - g. You need to login again with the new credentials.
  - h. On successful login, the system will prompt you to select the EVENT i.e., Sheshadri Industries Limited.



- i. On the voting page, enter the number of shares as on the cut-off date under FOR/AGAINST or alternately you may enter partially any number in FOR and partially in AGAINST but the total number in FOR/AGAINST taken together should not exceed the total shareholding. You may also choose the option ABSTAIN. If the shareholder does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
  - j. Shareholders holding multiple folios / demat account shall choose the voting process separately for each folios / demat account.
  - k. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.
  - l. Cast your vote by selecting an appropriate option and click on SUBMIT. A confirmation box will be displayed. Click OK to confirm else CANCEL to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, shareholders can login any number of times till they have voted on the Resolution.
  - m. Once the vote on the Resolution is cast by the shareholder, he shall not be allowed to change it subsequently.
  - n. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to rashida@rna-cs.com with a copy marked to evoting@karvy.com.
  - o. In case of any queries relating to e-voting, members may please refer the Frequently Asked Questions (FAQs) for shareholders and e-voting User Manual for shareholders available at the download section of <http://evoting.karvy.com> or contact Mr. V Raghunath, Deputy Manager, Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot No. 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500032, Contact no. 040-67161606, Toll free No. 1800 345 4001, email id: raghu.veedha@karvy.com, evoting@karvy.com.
- B. In case of members receiving notice through post/courier:**
- (i) E-voting Event Number (EVEN), User ID and Password is provided in the Ballot form
  - (ii) Please follow all steps mentioned above in Sr. No. (xii)(A)(b) to (xii)(A)(n) to cast your vote by electronic means.
9. The Companies Act, 2013 provides for the facility of nomination to the holders of Shares in a Company. Accordingly, members can avail the facility of nomination in respect of their shares held either singly or jointly. Members desiring to avail this facility are requested to fill up the prescribed nomination form and send the same to the Registered Office of the Company. (The forms are available at the Regd. Office).
  10. Members are requested to notify immediately any change in their addresses to the Company.
  11. The members are requested to bring their copy for the annual report with them at the time of attending Annual General Meeting.
  12. A route map showing directions to reach the venue of the 9th AGM is given at the end of the Notice.

By order of the Board  
For Sheshadri Industries Limited

Place: Secunderabad  
Date:14.08.2018

Jeetender Kumar Agarwal  
Managing Director



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

### Item No. 3

The Company is in talks with the Banks for settlement of liabilities which may consequently require the company to sell any of its assets including lands and buildings owned by the company to meet its financial obligations and to meet fund requirements for the operations of the company. Pursuant to explanation to clause (a) in sub-section (1) of Section 180 of the Act an "Undertaking" shall mean an undertaking in which the investment of the Company exceeds twenty percent of its net worth as per the audited balance sheet of the preceding financial year or an undertaking which generates twenty percent of the total income of the Company during the previous financial year.

Since the net worth of the Company as on 31st March, 2018 is negative, it is considered prudent by the management to seek approval of the members for the prospective sale of any of its assets.

Further, in terms of Section 110 of the Act as amended, any item of business required to be transacted by means of postal ballot may be transacted at a general meeting by a company which is required to provide the facility of e-voting to members.

The Board is of the opinion that the aforesaid resolution is in the best interest of the Company and its Members and hence, recommends Special Resolution for your approval.

None of the Directors or Key Managerial Personnel and their relatives are interested / concerned or deemed to be interested / concerned, financially or otherwise, in the above resolution.

### Item No. 4

In terms of proviso of section 188 of the companies Act, 2013, the contract/arrangement/transaction with related party exceeding such sums as prescribed under Rule 15 of Companies (Meeting of Board and its Powers) Rules, 2014 as amended requires prior approval from unrelated members by way of ordinary resolution.

The amount of transaction with the related party, M/s Ishayu Garments are likely to exceed the limits previously approved by the members at the Annual General Meeting held on September 29, 2015. Thus, contract/arrangement/transaction relating to obtaining the facility of manufacturing of readymade garments from the aforementioned related party as defined under Section 2(76) of the Companies Act, 2013 requires the approval of unrelated members of the Company by way of ordinary resolution.

The particulars of the contracts/arrangements/transactions are as under:

Sl. No.	Name of the related party	Nature of transaction	Relationship with related party
1	M/s Ishayu Garments	Conversion of fabric into readymade garments on job work basis for an amount not exceeding Rs. 50 crores in a financial year	Sri Devansh Agarwal s/o Sri Jeetender Kumar Agarwal and Sri Prateek Agarwal S/o Devender Kumar Agarwal are partners in M/s Ishayu Garments.

The above proposals have been approved by the Audit Committee in accordance with Section 177 of the Companies Act, 2013. The Audit Committee / Board of Directors would be endeavoring to approve the transactions between the Company however as the transaction envisaged is likely to exceed the limits as prescribed in the Rule 15 of Companies (Meeting of Board and its Powers) Rules, 2014 as amended and also, at times, some of the terms of related party transactions may not be viewed as at arm's length basis and the same may attract approval under Companies Act, 2013 read with Rules made there under. As a matter of abundant caution, and good corporate governance, approval of the Shareholders is therefore being sought in terms of the provisions of the Companies Act 2013. The Board recommends the resolutions for approval of the Members.

Sri Jeetender Kumar Agarwal and their relatives (Smt Narbada Agarwal, Smt Meenal Agarwal and Sri Devansh Agarwal) are interested in the above resolutions. None of the other Directors / key Managerial Personnel of the Company / their relatives is in any way concerned or interested, financially or otherwise, in the above resolution.

By order of the Board  
For Sheshadri Industries Limited

Place: Secunderabad  
Date:14.08.2018

Jeetender Kumar Agarwal  
Managing Director



## ANNEXURE TO ITEM 2 OF THE NOTICE

Details of Directors seeking appointment and re-appointment at the forthcoming Annual General Meeting  
(in pursuance of Regulation 36 (3) of SEBI (Listing Obligation Disclosure Requirement), 2015)

Name of the Director	Sri Jeetender Kumar Agarwal
DIN	00041946
Date of Birth	22.07.1964
Nationality	Indian
Date of Appointment on the Board	26.03.2013
Qualifications	B.E Textile
Expertise in specific functional area	25 years of experience in Textile Industry
Number of shares held in the Company as on 31.03.2018	21,27,269
List of the directorships held in other companies	1. Aananda Lakshmi Spinning Mills Limited 2. Suryavanshi Integrated Apparel Park Limited 3. Sheshadri Power and Infrastructure Private Limited 4. Suryavanshi Industries Limited
Chairman/ Member in the Committees of the Boards of companies in which he is Director*	Nil
* Committee memberships/chairmanships includes only Audit Committee and Stake holders' Relationship Committee of other Public Limited Company (whether Listed or not).	
There is no inter-se relationship between Board Members.	



## DIRECTORS' REPORT

Dear Shareholders,

We have pleasure in presenting the 9<sup>th</sup> Annual Report on the business and operations of Company and Financial Results for the year ended 31st March, 2018.

### 1. FINANCIAL RESULTS Rs. In lakhs

	2017-2018	2016-2017
Turnover Revenue	4033.54	6144.39
Gross Profit before financial charges & depreciation	(938.02)	754.27
Less: Depreciation	242.74	219.60
Financial charges	249.96	698.24
Exceptional items	(150.31)	-
Profit / (Loss) before taxation	(1280.41)	(1672.11)
Tax expenses	-	-
Profit / (Loss) after taxation	(1280.41)	(1672.11)

### 2. OPERATIONS

During the year under review the company achieved total turnover of Rs.4033.54 Lakhs which is lower than that of the previous year. The operations in the year have ended in a loss of Rs.1280.40 Lakhs as against loss of Rs. 1672.11 lakhs in previous year. The Company's operations have been affected due to insufficient working capital funds pending non sanction of facilities from banks, the excess capacity in the industry, mismatch of cotton yarn and raw cotton prices and huge raw material fluctuations.

### 3. CHANGE IN SHARE CAPITAL

There are no Changes in Share Capital of the Company during the year under review.

### 4. DIVIDEND

In view of losses incurred by the Company during the year under review, the Board is unable to recommend dividend.

### 5. EXPORTS

During the year under review the company's exports were Rs.26.69 Crores as against Rs. 28.43 Crores of the previous financial year. The decrease in exports was due to adverse global market conditions.

### 6. EXPANSION & MODERNISATION

Modernization and expansion shall take place in line

with technological developments that take place in industry.

### 7. FUTURE OUTLOOK

The Company focuses on allocation of spindles on Man-made fibre to mitigate cotton price fluctuations and also for high quality griegre yarns. This will help in improving the prospects of the company in the coming years.

### 8. CORPORATE GOVERNANCE

The report on Corporate Governance is not being enclosed to this report in view of the relaxation under regulation 15(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

### 9. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management's Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements), 2015 is presented in a separate section forming part of the Annual Report as **Annexure -V**.

### 10. ENVIRONMENT AND POLLUTION CONTROL

The manufacturing facilities have obtained environmental clearance from the Pollution Control Board concerned and are in compliance with all current environmental legislation. As an integral part of its environment protection drive, the Company ensures the very minimum quantity of generation of waste, low emission levels and low noise pollution levels during operations of all manufacturing facilities.

### 11. DIRECTORS AND KEY MANAGERIAL PERSONNEL

#### A. APPOINTMENTS AND RESIGNATIONS

Sri Badrinarayan Agarwal, Chairman resigned from Board with effect from 15<sup>th</sup> May 2017 due to health issues and left the world for his heavenly abode on 29<sup>th</sup> November, 2017. The Board deeply regrets his sad demise and places on record its sincere appreciation for the contribution rendered by Late Sri Badrinarayan Agarwal, Founder and Promoter of the Company.

There were no other appointments during the year under review. Mr. B.R.S.Reddy, Vice President (Corp. Affairs) & Company Secretary resigned from the employment of company



w.e.f. 26<sup>th</sup> February, 2018. The Board places on record its sincere appreciation for valuable services rendered by him during his tenure.

**B. RETIREMENT BY ROTATION**

Pursuant provision of Section 152 of the Companies Act, 2013, Sri Jeetender Kumar Agarwal (DIN No. 00041946), Director will retire at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The Board recommends his re-appointment.

**C. EVALUATION OF THE BOARD'S PERFORMANCE**

In compliance with the Companies Act, 2013 and as per the Listing Regulations, the performance evaluation of the Board and of its Committee was carried out during the year under review.

The Directors evaluation was broadly based on the parameters such as understanding of the Company's vision and objective, skills, knowledge and experience, participation and attendance in Board/ Committee meetings; governance and contribution to strategy; interpersonal skills etc.

The Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as evaluation of the working of its Board Committees. A structured questionnaire was prepared covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board Culture, execution and performance of specific duties, obligations and governance.

A meeting of the Independent Directors was also held which reviewed performance of non-independent directors, performance of the board as a whole and performance of the chairman after taking in to account the views of executive directors and non-executive directors. The same was discussed in the board meeting that followed the meeting of the independent directors, at which the performance of the board, its committees and individual directors was also discussed. Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated.

**D. DECLARATION BY INDEPENDENT DIRECTORS**

All the Independent Directors of the Company have given declaration stating that they meet the criteria of independence as provided under Companies Act, 2013.

**E. FAMILIARIZATION PROGRAMME OF INDEPENDENT DIRECTORS**

The Company has formulated a familiarization program for Independent Directors to provide insights into the Company's manufacturing, marketing, finance and other important aspects to enable the Independent Directors to understand its business in depth and contribute significantly to the Company. The Company Secretary briefs the Director about their legal and regulatory responsibilities as a Director. The details of such program are available on the Company's website ([www.sheshadri.in](http://www.sheshadri.in))

**12. BOARD AND THEIR COMMITTEES**

**1. BOARD OF DIRECTORS**

**a) Composition and provisions as to Board and Committees:**

As on 31<sup>st</sup> March 2018, the Company's Board of Directors comprises of 4 (Four) Directors. Of these, 1 (One) is Promoter Directors and 3 (three) are Independent Directors. The Chairman is an Executive Director.

The Board of Directors of the Company met Five (5) times during the year i.e., on 27.05.2017, 01.09.2017, 11.09.2017, 13.12.2017 and 14.12.2018.

**b) Disclosure of relationships between directors inter-se:**

There is no inter-se relationship between Board Members.

**2. AUDIT COMMITTEE**

The Audit Committee comprises Sri Surender Kumar Agarwal (Chairman), Sri Manish Gupta and Sri Jeetender Kumar Agarwal as other members. All the recommendations made by the Audit Committee were accepted by the Board.

During the financial year ended March 31, 2018 – Four (4) Audit Committee Meetings were



held on 27.05.2017, 11.09.2017, 13.12.2017 and 14.12.2018.

### 3. NOMINATION & REMUNERATION COMMITTEE

The company follows a policy on Remuneration of Directors and Senior Management Employees. The policy is approved by the Nomination & Remuneration Committee and the Board.

The Nomination and Remuneration Committee comprises of Sri Surender Kumar Agarwal (Chairman), Sri Manish Gupta and Smt Sushma Gupta as other members. All the recommendations made by the Nomination and Remuneration Committee were accepted by the Board.

Nomination & Remuneration Committee Meetings were held during the financial year ended March 31, 2018, on 01-09-2017 and 14-02-2018.

### 4. STAKEHOLDERS' RELATIONSHIP COMMITTEE

Your company has constituted a Stakeholders' Relationship Committee to specifically look into the mechanism of redressal of grievances of shareholders and other security holders.

Sri Surender Kumar Agarwal (Chairman) is the Non-Executive Director heading the Committee.

Details of the complaint received and redressed during the year under review are as follows:

1	No. of Complaints received for the 4 <sup>th</sup> Quarter	NIL
2	No. of Complaints received for the Year ended 31 <sup>st</sup> March 2018	2
3	Number not solved to the satisfaction of shareholders	NIL
4	Number of pending complaints	NIL

## 13. AUDITORS & AUDITORS' REPORT

### A. STATUTORY AUDITORS

M/s K.S. Rao & Co., Chartered Accountants, Hyderabad (ICAI Firm Regn. No.003109S) were appointed as Statutory Auditors in the AGM held on 29<sup>th</sup> September 2017 for a period of 5 years until the conclusion of 13<sup>th</sup> AGM.

Ministry of Corporate Affairs vide its notification dated May 7, 2018 has done away with the requirement of seeking ratification of appointment of statutory auditors by members at each AGM. Accordingly, no such item has been considered in notice of the 9<sup>th</sup> AGM.

However, In respect of the observation made by the Statutory Auditors in their report and at note No.45 in notes to accounts, the management is of the considered opinion based on their discussions with the banks / financial institutions that with the implementation of settlement of the loans and a rehabilitation package being worked out, the operations of the company will be normalized and the company will be able to meet its liabilities to the banks and discharge its statutory dues in the near future.

With reference to Auditors observations on note Nos.43, 46, 47 & 42(a) to (f) to the financial statements, the Board considers the notes themselves are self-explanatory.

### B. SECRETARIAL AUDITOR

During the year, the Company has appointed M/s NVVS Suryanarayana Rao, Practicing Company Secretaries as Secretarial Auditor in compliance with the provision of Section 204 of the Companies Act, 2013. The Secretarial Audit report in form MR-3 for the financial year ended 31<sup>st</sup> March 2018 is annexed herewith as **Annexure I** to this Report.

## 14. DIRECTORS' RESPONSIBILITY STATEMENT:

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;



- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis;
- (e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- (f) 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.

#### 15. RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

The Policy on materiality of related party transactions as approved by the Board may be accessed on the Company's website at <http://www.sheshadri.in/policies.html>

Your Directors draw attention of the members to Note 39 to the financial statement which sets out related party disclosures. Particulars of Contracts or Arrangements with Related parties referred to in Section 188(1) in Form AOC- 2 is enclosed to this report in **Annexure IV**.

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

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo required to be given pursuant to the provision of Section 134 of the Companies Act, 2013 read with the Companies (Account) Rules, 2014 is annexed hereto and marked **Annexure II** and forms part of this Report.

#### 17. INTERNAL FINANCIAL CONTROLS

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

#### 18. INDIAN ACCOUNTING STANDARDS (IND AS)

The Ministry of Corporate Affairs vide its notification dated 16.02.2015 has notified the Companies (Indian Accounting Standard) Rules, 2015. In pursuance of this notification, the company has adopted IND AS with effect from 1<sup>st</sup> April, 2017

#### 19. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES:

The information required pursuant to Section 197(12) of Companies Act, 2013 read with Rule 5(1) and Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of the employees of the Company, will be provided upon request. In terms of Section 136 of the Act, the Report and Accounts are being sent to the members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the members at the **Registered Office of the Company during business hours on working days of the Company upto the date of the ensuing Annual General Meeting**. If any member is interested in obtaining a copy thereof, such member may write to the Company Secretary in this regard.

#### 20. POLICY ON SEXUAL HARASSMENT:

The Company has in place a policy on Prevention of Sexual Harassment of Employees at workplace in accordance with The Sexual harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Compliant Committee has been set to redress complaints received regarding sexual harassment.

During the year under review, the Company has not received any complaints pertaining to sexual harassment.

#### 21. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:

The Company has not made any loan, given guarantee or provided security pursuant to the provisions of Section 186 of Companies Act, 2013.





**22. DISCLOSURES:**

**A. EXTRACT OF ANNUAL RETURN**

Extract of Annual Return of the Company is annexed herewith as **Annexure III** to this Report.

**B. WHISTLE BLOWER POLICY**

The Company has in place a Whistle Blower Policy for vigil mechanism for the directors and employees to report genuine concerns to the management about unethical behavior, fraud, violation of Company's code of conduct and provides adequate safeguards against victimization of persons who use such mechanism. The Policy on vigil mechanism may be accessed on the Company's website at the link: [www.sheshadri.in](http://www.sheshadri.in) there were no complaints received during the year 2017-18.

**C. LISTING**

The Company confirms that it has paid listing fees for the year to BSE Limited where its shares are listed.

**23. GENERAL**

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- a. Details relating to deposits covered under Chapter V of the Act.
- b. The Company has no subsidiaries, joint ventures or associate companies.
- c. The Company is not required to maintain cost records under Section 148(1) of the Companies Act, 2013.
- d. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

**24. ACKNOWLEDGEMENTS:**

The Board of Directors is pleased to place on record their appreciation of the co-operation and support extended by All India Financial Institutions, Banks and various State and Central Government Agencies.

The Board would also like to thank the Company's shareholders, customers, suppliers for the support and the confidence which they have reposed in the management. The Board place on record its appreciation of the contribution made by the employees at all levels for their hard work, solidarity, co-operation and support.

By order of the Board  
For **Sheshadri Industries Limited**

**Jeetender Kumar Agarwal**  
Managing Director

**Surender Kumar Agarwal**  
Director

Place: Secunderabad  
Date: 14.08.2018



**FORM NO.MR-3**

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018

[Pursuant to section 204(1) of the Companies Act, 2013 and rule no.9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To  
The Members,  
SHESHADRI INDUSTRIES LIMITED,  
105, Sardar Patel Road,  
Secunderabad-500003  
Telangana, India

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s Sheshadri Industries Limited (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2018 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii. The Depositors Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India, 1992 ('SEBI ACT'):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009-(Not applicable to the Company during the Audit Period);
  - e) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28<sup>th</sup> October 2014 (Not applicable to the Company during the Audit Period);



- f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 – (Not applicable to the Company during the Audit Period);
- g) The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
- h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and – (Not applicable to the Company during the Audit Period);
- i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 – (Not applicable to the Company during the Audit Period).

vi) The following other laws as specifically applicable to the Company in view of the management are:

- a) Textiles (Development and Regulation) Order, 2001; and
- b) Hank Yarn Packing Notification issued under Essential Commodities Act, 1955.

We have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.
- ii. The Listing Agreement entered into by the Company with BSE India Limited.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above. However, company has defaulted in payments undisputed statutory dues at March 31, 2018 which includes Provident Fund, Employees 'State Insurance', Income-Tax, Sales-tax, Service tax and Value added tax.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all the Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, regulations and guidelines.

For and behalf of M/s NVVS Suryanarayana Rao  
Company Secretaries

NVVS Suryanarayana Rao

Date:14.08.2018  
Place:Hyderabad

This report is to be read with our letter of even date, which is annexed as "Annexure-A" and forms an integral part of this report



To  
The Members  
Sheshadri Industries Limited  
105, Sardar Patel Road,  
Secunderabad – 500003  
Telangana, India

Our report of even date is to be read along with this letter:

1. Maintenance of secretarial records is the responsibility of the management of M/s Sheshadri Industries Limited, (“the Company”). Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For and behalf of M/s NVVS Suryanarayana Rao  
Company Secretaries

NVVS Suryanarayana Rao  
ACS No.5868  
C P No.2886

Date:14.08-2018  
Place:Hyderabad



## ANNEXURE - II

Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo required under the Companies (Accounts) Rules, 2014

### A. CONSERVATION OF ENERGY

i)	The steps taken or impact on conservation of energy	An energy audit was undertaken by a firm of consultants to improve upon the energy conservation measures. The recommendations from the audit were implemented.
ii)	The steps taken by the Company for utilizing alternate sources of energy	Nil
iii)	The capital investment on energy conservation equipments	Nil

### B. TECHNOLOGY ABSORPTION

i)	The efforts made towards technology absorption	The Company has adapted indigenous technology and innovated upon the same.
ii)	The benefits derived like product improvement, cost reduction, product development or import substitution	Product improvement, increase in yield, production of high value added products.
iii)	In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)	No technology has been imported during the last three years.
	a. The details of technology imported	NA
	b. The year of import	NA
	c. Whether the technology been fully absorbed	NA
	d. If not fully absorbed, areas where absorption has not taken place and the reasons thereof and	NA
iv)	The expenditure incurred on Research and Development	Expenditure on in-house Research & Development was not incurred during the year under review.

### C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Rs. Lakhs

	2017-18	2016-17
i) Foreign Exchange Earned:		
FOB value of exports	2561.28	2751.66
CIF value of exports	2668.91	2842.66
ii) Foreign Exchange used:		
Foreign Travel Expenses	14.04	18.39
Spare parts	131.03	85.34



**FORM NO. MGT - 9**  
**EXTRACT OF ANNUAL RETURN**  
**as on the financial year ended 31.03.2018**  
**[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the**  
**Companies (Management and Administration) Rules, 2014]**

**I. REGISTRATION AND OTHER DETAILS:**

i)	CIN	LI7291AP2009PLC064849
ii)	Registration Date	26/08/2009
iii)	Name of the Company	Sheshadri Industries Limited
iv)	Category / Sub-Category of the Company	Company Limited by shares / Indian Non-Government Company
v)	Address of the Registered Office and contact details	6 <sup>th</sup> Floor, Surya Towers, 105, Sardar Patel Road, Secunderabad – 500003 Tel No. 040-27843333 Fax: 040-27815135
vi)	Whether listed company Yes / No	Yes
vii)	Name, address and contact details of Registrar and Transfer Agent, if any	Karvy Computershare Private Limited Karvy Selenium Tower B, Plot No 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032, Telangana Tel no. 040-67161606, Fax no. 040-23420814

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

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	Cotton yarn	13111 - Spinning, weaving and finishing of textiles	28.71%
2	Garments	14101-Manufacture of all types of textile garments and clothing accessories	71.29%

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

S. No.	Name and address of the Company	CIN/GLN	Holding / subsidiary / Associate	% of shares held	Applicable section
NONE					



**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				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual / HUF	2633297	-	2633297	53.10	2633297	-	2633297	53.10	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other....	-	-	-	-	-	-	-	-	-
i) Trust	268203	-	268203	5.41	268203	-	268203	5.41	-
<b>Sub-Total (A)(1):</b>	<b>2901500</b>	<b>-</b>	<b>2901500</b>	<b>58.50</b>	<b>2901500</b>	<b>-</b>	<b>2901500</b>	<b>58.50</b>	<b>-</b>
<b>(2) Foreign</b>									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A)(2):</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Shareholding of Promoters (A) = (A) (1) + (A)(2)</b>	<b>2901500</b>	<b>-</b>	<b>2901500</b>	<b>58.50</b>	<b>2901500</b>	<b>-</b>	<b>2901500</b>	<b>58.50</b>	<b>-</b>
<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>									
a) Mutual Funds / UTI	148	110	258	0.01	148	110	258	0.01	-
b) Banks / FI	259	166	425	0.01	259	166	425	0.01	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-Total (B)(1):</b>	<b>407</b>	<b>276</b>	<b>683</b>	<b>0.01</b>	<b>407</b>	<b>276</b>	<b>683</b>	<b>0.01</b>	<b>-</b>



Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>(2) Non-Institutions</b>									
<b>a) Bodies Corporate</b>									
i) Indian	132923	482738	615661	12.41	120923	482738	603661	12.17	-0.24
ii) Overseas	-	-	-	-	-	-	-	-	-
<b>b) Individuals</b>									
i) Individual Shareholders Holding nominal share capital upto Rs.2 lakh	1026170	172907	1199077	24.18	1065596	171060	1236656	24.93	0.75
ii) Individual Shareholders holding nominal share capital in excess of Rs.2 lakh	229502	-	229502	4.63	206191	-	206191	4.16	0.32
<b>c) Others (specify)</b>									
i) NRI	8544	-	8544	0.17	6576	-	6576	0.13	-0.05
ii) Clearing Members	2564	-	2564	0.05	-	-	-	-	-0.05
iii) NRI (Non Repat)	2046	-	2046	0.04	4125	-	4125	0.08	0.04
iv) Trusts	-	-	-	-	185	-	185	0.00	-
<b>Sub-Total (B)(2):</b>	<b>1401749</b>	<b>655645</b>	<b>2057394</b>	<b>41.48</b>	<b>1403595</b>	<b>653799</b>	<b>2057394</b>	<b>41.48</b>	<b>-</b>
<b>Total Public Shareholding (B)=(B)(1) + (B)(2)</b>	<b>1402156</b>	<b>655921</b>	<b>2058077</b>	<b>41.50</b>	<b>1404003</b>	<b>654074</b>	<b>2058077</b>	<b>41.50</b>	<b>-</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>4303656</b>	<b>655921</b>	<b>4959577</b>	<b>100</b>	<b>4305503</b>	<b>654074</b>	<b>4959577</b>	<b>100</b>	<b>-</b>





ii) Shareholding of promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total share	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total share	
1	Jeetender Kumar Agarwal	21,27,269	42.89	-	21,27,269	42.89	-	-
2	Rajender Kumar Agarwal	500	0.01	-	500	0.01	-	-
3	Badrinarayan Agarwal Family Trust	2,68,203	5.41	-	2,68,203	5.41	-	-
4	Badrinarayan Agarwal	2,23,247	4.50	-	2,23,247	4.50	-	-
5	Narbada Bai	1,33,424	2.69	-	1,33,424	2.69	-	-
6	Meenal Agarwal	1,33,857	2.70	-	1,33,857	2.70	-	-
7	Rishikesh Agarwal	5,000	0.10	-	5,000	0.10	-	-
8	Devansh Agarwal	10,000	0.20	-	10,000	0.20	-	-
	<b>Total</b>	<b>2901500</b>	<b>58.50</b>	<b>-</b>	<b>2901500</b>	<b>58.50</b>	<b>-</b>	<b>-</b>

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

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

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Jahnvi Sri Dhanya S				
	At the begging of the year	77700	1.57	77700	1.57
	Sale on 30 <sup>th</sup> December 2017	2000	0.04	75700	1.53
	Sale on 12 <sup>th</sup> January 2018	130	0.01	75570	1.52
	At the End of the year			75570	1.52
2	Suryalakshmi Cotton Mills Limited				
	At the begging of the year	37777	0.76	37777	0.76
	At the End of the year			37777	0.76
3	Nileshkumar Manubhai Mehta				
	At the begging of the year	30634	0.62	30634	0.62
	At the End of the year			30634	0.62
4	M Murali Krishna Reddy				
	At the begging of the year	28000	0.56	28000	0.56
	At the End of the year			28000	0.56



Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
5	Baman K Mehta				
	At the begging of the year	25900	0.52	25900	0.52
	At the End of the year			25900	0.52
6	Manshi Nileshkumar Mehta				
	At the begging of the year	24533	0.49	24533	0.49
	At the End of the year			24533	0.49
7	Pranav Kumarpal Parekh				
	At the begging of the year	21554	0.43	21554	0.43
	At the End of the year			21554	0.43
8	M Durga Mani				
	At the begging of the year	21181	0.43	21181	0.43
	At the End of the year			11940	0.24
9	Vinodchandra Mansukhlal Parekh				
	At the begging of the year	19992	0.40	19992	0.40
	At the End of the year			19992	0.40
10	Atul Jitendra Agarawal				
	At the begging of the year	18500	0.37	18500	0.37
	At the End of the year			18500	0.37

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

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Badrinarayan Agarwal* Chairman				
	At the beginning of the year	223247	4.50	223247	4.50
	At the End of the year			223247	4.50
2	Jeetender Kumar Agarwal Managing Director & CFO				
	At the beginning of the year	2127269	42.89	2127269	42.89
	At the End of the year			2127269	42.89
3	Surender Kumar Agarwal Independent Director				
	At the beginning of the year	Nil	Nil	Nil	Nil
	At the end of the year			Nil	Nil



Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
4	Manish Gupta Independent Director				
	At the beginning of the year	Nil	Nil	Nil	Nil
	At the end of the year			Nil	Nil
5	Sushma Gupta Independent (Woman) Director				
	At the beginning of the year	185	0.00	185	0.00
	At the end of the year			185	0.00
8	B. Rama Subba Reddy** Vice President (Corp. Affairs) & Company Secretary				
	At the beginning of the year	4095	0.08	4095	0.08
	At the end of the year			4095	0.08

\* Mr. B.N. Agarwal resigned from the board with effect from 15<sup>th</sup> May 2017

\*\* Mr. B. Rama Subba Reddy resigned w.e.f. 26<sup>th</sup> February, 2018

## V. INDEBTEDNES

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

Rs. in Lakhs

	Secured Loans Excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year:				
i) Principal Amount	5143.15	808.25	-	5951.40
ii) Interest due but not paid	346.52	-	-	346.52
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>5489.67</b>	<b>808.25</b>	<b>-</b>	<b>6297.92</b>
Change in Indebtedness during the financial year:				
• Addition	109.20	276.78	-	385.98
• Reduction	0	237.11	-	237.11
<b>Net Change</b>	<b>109.20</b>	<b>39.67</b>	<b>-</b>	<b>148.87</b>
Indebtedness at the end of the financial year:				
i) Principal Amount	5252.35	847.92	-	6100.27
ii) Interest due but not paid	750.89	-	-	750.89
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>6003.24</b>	<b>847.92</b>	<b>-</b>	<b>6851.16</b>



VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Rs. in Lakhs)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Mr. Jeetender Kumar Agarwal, Managing Director		
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		27.72	27.72
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		3.37	3.37
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		-	-
2.	Stock Option		-	-
3.	Sweat Equity		-	-
4.	Commission			
	- as % of profit		-	-
	- others, specify...		-	-
5.	Others, please specify Contribution to Provident fund		2.38	2.38
	<b>Total (A)</b>		<b>33.47</b>	<b>33.47</b>
	Ceiling as per the Act		<b>60.00*</b>	<b>60.00*</b>

\*As per Section II Part II of Schedule V

B. Remuneration to other Directors:

(Rs. in Lakhs)

Sl. No	Particulars of Remuneration	Name of the Director			Total Amount
		Mr. Surender Kumar Agarwal	Mr. Manish Gupta	Ms. Sushma Gupta	
1.	Independent Directors				
	• Fee for attending board / committee meetings	0.26	0.35	0.28	0.89
	• Commission	-	-	-	-
	• Others – incidental Expenses	0.12	0.12	0.12	0.36
	<b>Total (1)</b>	<b>0.38</b>	<b>0.47</b>	<b>0.40</b>	<b>1.25</b>
2.	Other Non-Executive Directors				
	• Fee for attending board / committee meetings	-	-	-	-
	• Commission	-	-	-	-
	• Others, please specify	-	-	-	-



Sl. No	Particulars of Remuneration	Name of the Director			Total Amount
	Total (2)	-	-	-	-
	Total (B)=(1+2)	0.38	0.47	0.40	1.25
	Total Managerial Remuneration (A+B)		-	-	34.72
	Overall Ceiling as per the Act (for Independent Directors)	9.00*	9.00*	5*	

\* Rs. 1 lac per each meeting attended

C. Remuneration to Key Managerial Personnel other than MD/ Manager/WTD: (Rs. in Lakhs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Mr. Jeetender Kumar Agarwal, CFO	Mr. B. Rama Subba Reddy*, Vice President (Corp. Affairs) & Company Secretary	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	15.80	15.80
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify...	-	-	-
5.	Others, please specify Contribution to Provident fund	-	0.47	0.47
	<b>Total</b>	-	<b>16.27</b>	<b>16.27</b>

\* Mr. B. Rama Subba Reddy resigned w.e.f. 26<sup>th</sup> February, 2018



**VII. PENALTIES / PUNISHMENT /  
COMPOUNDING OF OFFENCES**

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



## ANNEXURE - IV

### Form No. AOC-2

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

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

1. Details of contracts or arrangements or transactions not at arm's length basis:  
There were no related party transactions that were not at arm's length basis.
2. Details of material contracts or arrangement or transactions at arm's length basis:

(a)	Name(s) of the related party and nature of relationship	Fortune Eagle (HK) Trading Limited
(b)	Nature of contracts/arrangements/transactions	Sale of garments
(c)	Duration of the contracts / arrangements / transactions	It is a continuing contract
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	The Company sells the garments manufactured by it to the above mentioned related party. The value of the transaction for the year 2017-18 was Rs25.64 crores.
(e)	Justification for entering into such contracts or arrangements or transactions	The transaction is in the ordinary course of business and at arm's length
(f)	Date(s) of approval by the Board	03.09.2014 (It was approved by shareholders in AGM held on 30.09.2014)
(g)	Amount paid as advances, if any:	-

By order of the Board  
For **Sheshadri Industries Limited**

Place: Secunderabad  
Date: 14.08.2018

Jeetender Kumar Agarwal  
Managing Director



## MANAGEMENT DISCUSSION ANALYSIS FORMING PART OF THE ANNUAL REPORT

### ANNEXURE V

#### 1. INDUSTRY STRUCTURE, DEVELOPMENT AND PRODUCT WISE PERFORMANCE

The Company is in the business of manufacturing of Cotton, Polyester, polyester-viscose Blended Yarns and readymade garments at its factories situated at Aliabad, Shameerpet Mandal, Rangareddy District in the state of Telangana and Rajna, Madhya Pradesh, catering to both domestic and the export markets.

Indian Textile & Garment industry is one of the largest in the world. Most of the processing units in India are independent units, with some being integrated with spinning, weaving or knitting units.

#### 2. INDIAN TEXTILE INDUSTRY

India has presence across the entire Textile supply chain which includes spinning, weaving, knitting, processing and garmenting. The size of the domestic Textile industry is USD 150 bn and contributes 4 % to india's GDP and constitutes 13% of the country's export earnings. It is the second largest employer after agriculture employing over 45 million people directly and 60 million people indirectly out of the total size, India's export share stands USD 36.66 bn and has emerged as the third largest exporter of textiles and apparels in the world after china (37%) and EU (25%) with an overall market share of 5 %. The domestic textile and apparel industry in India has shown promise over last decade and is expected to reach a market size of USD 250 bn by 2023 from USD 150bn in 2016. Textile and apparel exports from India are expected to increase to USD 82bn by 2021 from USD 36.66 bn in 2016. Key drivers to this growth would be increase in investment along with policy support by the government (Technology Upgradation Fund Scheme-Tufs). 100% Foreign Direct Investment-FDI), rise in disposable income, better penetration in smaller cities and rapid urbanization, India's is expected to have a market share of 15.20% of the global Textile and apparel trade from the present 5%. The domestic market is also expected to grow at 12% p.a or higher. India's contribution to the home textile industry is at 11% behind china with 35% share.

#### 3. GLOBAL ECONOMY

Among the largest textile market there are two major groups on the one side, the developed countries demonstrate slow or negative sales growth. This trend translates into the top line challenges even for the largest apparel manufacturers. On the other side, the emerging markets represent the biggest long term growth opportunities and despite the fact that the size of some emerging markets, such as China and India, already surpasses that of some matured markets there is still plenty of room for growth considering their current per capita spending and the rise of the middle class.

##### GOVERNMENT INITIATIVES

Indian government has come up with a number of export promotion policies for the textile sector. It has allowed 100 % FDI in the Indian textile sector under automatic scheme.

- a) The government has doubled the import duty on 328 textile products which is expected to incentivise the domestic industry. As a consequence, imported garments, fabric will become costlier.
- b) Specified technical textile products are covered under Focus Product Scheme. Under this scheme, exports of these products are entitled for duty credit scrip equivalent to 2 per cent of freight on board (FOB) value of exports.
- c) Under the Market Access Initiative (MAI) Scheme, financial assistance is provided for export promotion activities on focus countries and focus product countries.
- d) Under the Market Development Assistance (MDA) Scheme, financial assistance is provided for a range of export promotion activities implemented by Textiles Export Promotion Councils.





#### 4. POLYESTER YARN

The crop year of 2018-19 has seen considerable fall in polyester price, which has happened on the backdrop of decline in crude oil prices. During the period between April and February 2015-16, polyester price fell by around 21% to \$1.22 per kilogram from \$1.55 per kilogram during the same period last year. However, in spite of fall in price, polyester has managed to emerge as the replacement for cotton in the global market. (Source: ICRA Research report, March 2016)

#### 5. GARMENTS

After China, India is the second largest manufacturer of garments in the world. The availability of raw materials in abundance and lower labour cost in India are few of the reasons why the global brands are looking to add incremental sourcing from India instead of China. With the growth in disposable income among the Indian households and the rise in the numbers of middle class families, it is expected that demand for finished garments would rise significantly in the upcoming years. The consumer spending in India is likely to double to USD 2.4 trillion by FY 19 and expected to reach USD 3.6 trillion. At this pace, India is likely to emerge as the fifth largest consumer economy by 2025. These factors are certainly likely to add to the growth of apparel market.

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Your Company has been chosen one of the preferred vendors for the supply of readymade garments by the big global label and retailers like Jordache Ltd, USA and Tharanco Life Styles LLC, USA. Your company is well equipped to cater to the requirements of international buyer for the supply of various types of readymade garments viz., Polos, Sweatshirts and Shorts. Your company is well equipped to handle any kind of complicated needle work required to make high-end fashion garments. A variety of embellishments, both Indian and imported are being used.

Your Company has set up a dedicated team that monitors and analyses the changing trends, designs, fashions across the globe. This helps the Company produce different shades, textures and fabrics which create a benchmark for their clients and helps Company to develop its own brand "WOODSIDE" which are made available on online portals Snapdeal, amazon, flipkart and paytm with totally new design concepts and colour scheme. The Company aims to increase its presence in the semi-urban and rural areas.

#### 6. OPPORTUNITIES AND THREATS

##### 6.1 Opportunities:

- I. Integration of Information technology 'Supply Chain Management' and 'Information Technology' has a crucial role in apparel manufacturing. Availability of EDI (Electronic Data Interchange) makes communication fast, easy, transparent and reduces duplication.
- II. Opportunity in High Value Items India has the opportunity to increase its UVR's (Unit Value Realization) through moving up the value chain by producing value added products and by producing more and more technologically superior products.

##### 6.2 Threats:

- Firms in textiles sector are facing following problems in adding capacity due to:
- Non-Availability of Adequate raw materials in terms of quantity and quality at attractive prices
- Manufacturing Competitiveness across the textile Value Chain
- Lack of Infrastructure and power facilities
- Shortage of skilled manpower and labour related issues
- Competitor countries like China produce cheap and good quality crafts
- Continuation of recessive trends for an extended period will cast its long shadow on textiles industry
- Low export and domestic demand and uncertainty of economic environment
- High financial charges and strict environmental standards



**7. RISKS AND CONCERNS:**

- **Poor Infrastructure:** High power costs and long export lead times are eroding India's export competitiveness across the textile chain.
- **Economic slowdown:** Textile as a product is highly dependent on macro-economic scenario of the countries across the world. Any slowdown in the economy might have a direct impact on the operations of the Company.
- **Modernization:** Spinning sector lacks modernization and there is a need of introducing new technology.
- **Processing:** Processing is the weakest link in the Indian textile value chain, adversely affecting its ability to compete in exports.

**8. OUT LOOK:**

Indian textile industry is vertically integrated covering a wide range of activities from production of basic raw material like jute, cotton, silk and wool to manufacturing of varieties of synthetic and man-made fibres and to the provision of higher value added consumer products such as fabrics and garments.

The Indian textiles sector, currently estimated at around US\$ 108 billion, is one of the largest contributors to India's exports with approximately 11% of total exports and is expected to reach US\$ 223 billion by 2021, by growing at a CAGR of 10.3%. The Indian textile industry, highly labour intensive, is the second largest employer after agriculture, providing employment to over 45 million people directly and 60 million people indirectly. The Indian Textile Industry contributes approximately 5% to India's Gross Domestic Product (GDP), 14% to overall Index of Industrial Production (IIP) and constitutes 15% of the country's export earnings. The textiles industry has also made a major contribution to the national economy in terms of net foreign exchange earnings and contribution to the GDP.

The textile industry has two broad segments. The first is the unorganised sector which comprises small-scale handcraft units and using traditional tools and methods. The second is the organised sector consisting of spinning, apparel and garments segment which apply modern machinery and techniques to avail the advantage economies-of-scale.

**9. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has an adequate internal control system commensurate with the size and complexity of the organization. The Company has undertaken a comprehensive review of all internal control systems to take care of the needs of the expanding size of the Company and also upgraded the IT support systems. A system of internal audit to meet the statutory requirement as well as to ensure proper implementation of management and accounting controls is in place. The Audit Committee periodically reviews the adequacy of the internal audit functions.

**10. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED:**

There are no material developments in the Human Resources area. The industrial relations have been generally satisfactory. The Company constantly reviews the man power requirements and has a properly equipped Department to take care of the requirements. The total number of people employed by the Company as on 31.03.2018 was 504.

**11. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**

The total Revenue for the year 2017-18 was Rs. 4033.54 Lakhs and incurred loss of Rs. 1240.58 Lakhs

**NOTE:**

1. Readers are advised to kindly note that the above discussion contains statements about risks, concerns, opportunities, etc., which are valid only at the time of making the statements. A variety of factors known / unknown, expected or otherwise may influence the financial results. These statements are not expected to be updated or revised to take care of any changes in the underlying presumptions.
2. Readers may therefore appreciate the context in which these statements are made before making use of the same.



## INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SHESHADRI INDUSTRIES LIMITED, SECUNDERABAD

### Report on the Indian Accounting Standards (Ind AS) Financial Statements

We have audited the accompanying Ind AS financial statements of SHESHADRI INDUSTRIES LIMITED, ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "Ind AS financial statements").

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS 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 Ind AS financial statements based on our audit. We have taken into account the provisions of the Act and the Rules made there under including 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 of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

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

### Basis for Qualified Opinion

1. The Company has not provided the interest on Working capital loans and Term loans with SBI and Andhra Bank for Rs.600.58 lakhs for the financial year 2017-18
2. The company also reversed the unpaid interest of Working capital loans and Term loans with SBI and Andhra Bank Rs.150.31 lakhs which was provided in earlier financial year 2016-17.



3. The company has not provided the interest in delay in payment of statutory dues overdue balances of Rs.32.85lakhs as at end of the financial year 2017-18.

Consequent to the above the loss for the year and liabilities as at 31.03.2018 is understated and share Holders funds are overstated.

#### **Qualified Opinion**

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its loss, its cash flows and the changes in equity for the year ended on that date.

#### **Emphasis of Matters**

##### **We draw attention to the following matters in the Notes to the financial statements**

- a. Note No 45 of the financial statements with regard to the company has recorded accumulated losses of Rs. 3299.01 lakhs as at 31st March 2018, resulting in complete erosion of net worth and current liabilities exceed current assets by Rs.4228.49 lakhs further there were lower cash inflows from existing business activities. and default in payment of dues to banks and financial institutions, other statutory dues to concerned authorities.

These conditions indicate the existence of material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However, the accompanying financial statements have been prepared on a "Going Concern " basis for the reasons stated in the said note.

- b. Note No 43 of the financial statements relating to non-provision of interest for delay in payment to MSME suppliers.  
c. Note No 47 of the financial statements relating to confirmation of balances in respect of trade receivables and trade payables.

Our opinion is not qualified in respect of above these matters.

#### **Other Matters:**

The comparative financial information of the Company for the year ended March 31, 2017 and the transition date opening balance sheet as at April 1, 2016 included in these Ind AS financial statements, are based on the previously issued statutory financial statements for the years ended March 31, 2017 and March 31, 2016 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by the predecessor auditor who expressed an unmodified opinion vide reports dated May 27, 2017 and May 30, 2016 respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us.

Our opinion is not qualified in respect of above these matters.

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

- As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
- As required by Section 143 (3) of the Act, we report that:
  - 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.
  - In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
  - The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.



- (d) Except for the effects of the matters described in the basis for qualified opinion paragraph. In our opinion, the aforesaid Ind AS financial statements comply with the applicable Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect of adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 42 (b) to (g) of financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transfer to the Investor Education and Protection Fund by the Company.

for **K.S.RAO & CO.**  
Chartered Accountants  
Firm's Regn No. 003109S

**(M.NAGA PRASADU)**  
Partner  
Membership No.231388

Place : Hyderabad  
Date : 30.05.2018



**Annexure - A to the Auditor's Report:**

The Annexure referred to in Para I under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date, to the members of **SHESHADRI INDUSTRIES LIMITED, SECUNDERABAD**, for the year ended March 31, 2018.

1. a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. As explained to us, the management has physically verified the fixed assets during the year and there is a regular programme of physical verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of the assets. No discrepancies were noticed on such verification.
- c. According to the information and explanation given to us and on the basis of our examination of the records of the Company, the immovable properties have been transferred to Sheshadri Industries Limited (resulting company) as per the scheme of demerger approved by Hon'ble High Court at Hyderabad.
2. As explained to us, the inventories have been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on physical verification between the physical stocks and book records were not material.
3. a. During the year, the Company has not granted any loans, secured or unsecured to Companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- b. In view of our comments in para (a) above, Clause (III) (a), (b) and (c) of paragraph 3 of the aforesaid order are not applicable to the Company.
4. In our opinion and according to the information and explanation given to us, the Company has not advanced any loan to any Director and no investments were made during the year as referred to in sections 185 and 186 of the Act. Therefore, the provisions of Paragraph 3(iv) of the Companies (Auditor's Report) Order 2016 are not applicable to the Company.
5. The Company has not accepted any deposits from the public. Hence the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013, and the rules framed there under, do not apply to this Company.
6. We have broadly reviewed the cost records maintained by the Company pursuant to sub-section (1) of section 148 of the Companies Act, 2013 and are of the opinion that prime facie the prescribed accounts and records have been made and maintained. We have however not made a detailed examination of the cost records with a view to determine whether they are accurate or Complete.
7. a. According to the records, the company is not regular in depositing undisputed statutory dues including provident fund, employees' state insurance, Income-tax, Sales-tax, Service tax, Goods and Services Tax, Duty of customs, Duty of excise, Value added tax, Cess and all other statutory dues with the appropriate authorities. According to the information and explanations given to us, there are no arrears of outstanding statutory dues as at March 31, 2018 for a period more than six months from the date they became payable are as follows.

Name of statute	Nature of the dues	Amount (In Lakhs)	Period to which the amount relates	Due Since	Date of Payment
Employees Provident Fund Act	Provident Fund Contribution	115.25	2016-17 2017-18	June, 2016	Not yet paid
Employee State Insurance Act	Employee state Insurance	5.37	2016-17 2017-18	Oct, 2016	Not yet paid
Professional Tax	Professional Tax	2.06	2016-17 2017-18	Sep, 2016	Not yet paid
Income Tax Act	TDS	8.11	2016-17 2017-18	Mar' 2017	Not yet paid
Finance Act	Service Tax	3.51	2016-17 2017-18	Aug' 2016	Not yet paid



- b. According to the records of the Company and the information and explanations given to us, the dues of Sales tax, Income tax, Custom Duty, Wealth Tax, Service Tax, Excise Duty, Cess, which have not been deposited on account of dispute are as follows:

Nature of the Statute	Nature of Dues	Amount (Rs in Lakhs)	Period to which the amount relates (Financial year)	Forum where dispute is pending
M.P. Sales Tax Act	Sales Tax dues	7.64	2003-2004 2004-2005	Deputy Commissioner (Appeal) Sales Tax, Bhopal, Madhya Pradesh
Customs Act, 1962	Interest on Customs Duty	20.32	2003-2004	Hon'ble High Court, Jabalpur, Madhya Pradesh
M.P. Sales Tax Act	Sales Tax(Entry tax) dues	22.48	2012-2013	M.P. Commercial Tax , Appellate Board, Bhopal, Madhya Pradesh
M.P. Sales Tax Act	Sales Tax(Entry tax) dues	1.96	2013-2014	Additional Commissioner of Commercial Tax (Appeal), Jabalpur, Madhya Pradesh

8. In our opinion and according to the information and explanations given to us, the Company has defaulted in repayment of loans to financial institutions and Banks.

Name of the Bank	Amount of due as at the Balance Sheet date (Rs in Lakhs)*	Period of default
i) Andhra Bank - I	14.87	From Sep'2016
ii) Andhra Bank - II	567.00	From Sep'2016
iii) Andhra Bank – III	126.00	From Sep'2016
iv) Andhra Bank – Corp	119.00	From Sep'2016
v) SBH – Corp	50.50	From Sep'2016

\* Principal dues excluding interest

9. During the year under review, the company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) and Term loans during the year. Accordingly, the provisions of paragraph 3(ix) of the Companies (Auditor's Report) Order 2016 is not applicable.
10. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
12. 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 Companies (Auditor's Report) Order 2016 is not applicable.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with 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.
14. According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.



15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Companies (Auditor's Report) Order 2016 is not applicable.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

for **K.S.RAO & CO.**  
Chartered Accountants  
Firm's Regn No. 003109S

**(M.NAGA PRASADU)**  
Partner  
Membership No.231388

Place : Hyderabad  
Date : 30.05.2018





## Annexure – B to the Auditor’s Report

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

We have audited the internal financial controls over financial reporting of SHESHADRI INDUSTRIES LIMITED, SECUNDERABAD (“the Company”) as of 31st March 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

#### **Auditor’s 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, 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 aspects.

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 and error.

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

#### **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 expenditure 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 policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

for **K.S.RAO & CO.**  
Chartered Accountants  
Firm's Regn No. 003109S

**(M.NAGA PRASADU)**  
Partner  
Membership No.231388

Place : Hyderabad  
Date : 30.05.2018

**Balance Sheet as at 31st March, 2018**

(Figures in ` Lakhs)

Particulars	Note No.	As at March 31, 2018	As at 31st March, 2017	As at 31st March, 2016
<b>Assets</b>				
<b>Non-current assets</b>				
1) Property, plant and equipment	4	4,748.04	4,653.88	1,146.64
2) Capital work in progress	5	0.00	200.38	3,361.22
3) Intangible assets	6	0.13	0.13	0.13
4) Financial assets				
a) Loans	7	64.46	105.65	110.29
b) Investments	8	-	-	58.90
c) Other Financial Assets	9	-	-	115.00
<b>Total Non- Current Assets</b>		<b>4,812.62</b>	<b>4,960.04</b>	<b>4,792.18</b>
<b>Current Assets</b>				
1) Inventories	10	732.14	1,625.05	2,160.97
2) Financial assets				
a) Trade receivables	11	199.98	217.75	394.14
b) Cash and cash equivalents	12	18.36	9.93	23.58
c) Cash and Bank balances other than (b) above	13	-	115.00	19.20
d) Other financial assets	14	2.75	1.31	4.41
3) Current tax asset (net)		10.18	5.23	4.29
4) Other current assets	15	686.75	629.05	875.33
<b>Total Current Assets</b>		<b>1,650.16</b>	<b>2,603.33</b>	<b>3,481.93</b>
<b>Total Assets</b>		<b>6,462.78</b>	<b>7,563.36</b>	<b>8,274.11</b>
<b>Equity and Liabilities</b>				
<b>Equity</b>				
1) Equity share capital	16	495.96	495.96	495.96
2) Other equity	17	(2,968.51)	(1,733.83)	(59.06)
<b>Total Equity</b>		<b>(2,472.55)</b>	<b>(1,237.87)</b>	<b>436.90</b>
<b>Non-current liabilities</b>				
1) Financial liabilities				
a) Borrowings	18	2,951.24	3,462.83	3,381.54
Provisions	19	105.43	115.12	86.27
<b>Total Non - Current Liabilities</b>		<b>3,056.68</b>	<b>3,577.95</b>	<b>3,467.81</b>
<b>Current liabilities</b>				
1) Financial liabilities				
a) Borrowings	20	1,633.43	1,588.46	1,927.34
b) Trade payables	21	1,967.49	1,860.31	1,491.12
c) Other financial liabilities	22	2,038.94	1,625.37	921.20
2) Provisions	23	121.07	78.51	16.40
3) Other current liabilities	24	117.72	70.64	13.33
<b>Total Current Liabilities</b>		<b>5,878.65</b>	<b>5,223.29</b>	<b>4,369.39</b>
<b>Total Equity and liabilities</b>		<b>6,462.78</b>	<b>7,563.36</b>	<b>8,274.11</b>
Significant Accounting policies and key accounting adjustments and judgements	1-49			

As per our report of even date

For and on behalf of Board of Directors  
**Sheshadri Industries Limited**For **K.S.Rao & Co.**  
Chartered Accountants  
Firms' Registration Number: 003109S**J.K. Agarwal**  
Managing Director & CFO**M.Naga Prasadu**  
Partner  
Membership Number:231388**Surender Kumar Agarwal**  
DirectorPlace: Hyderabad  
Date: 30th May, 2018

**Statement of Profit and loss for the year ended 31st March, 2018** (Figures in ` Lakhs)

Particulars		Note No.	Current Year 31st March, 2018	Previous Year 31st March, 2017
I.	Revenue from Operations	25	3,743.76	5,764.64
II.	Other Income	26	289.78	379.75
<b>III.</b>	<b>Total Income (I + II)</b>		<b>4,033.54</b>	<b>6,144.39</b>
IV.	Expenses			
a)	Cost of Materials Consumed	27	2,418.18	3,901.88
b)	Changes in inventories of Stock-In-Trade	28	368.22	311.33
c)	Employee Benefits Expense	29	659.88	884.08
d)	Finance Cost	30	249.96	698.24
e)	Depreciation and amortisation expenses	31	242.74	219.60
f)	Other expenses	32	1,525.28	1,801.36
	<b>Total expenses (IV)</b>		<b>5,464.26</b>	<b>7,816.51</b>
V.	Profit/(Loss) before exceptional items and tax (III - IV)		(1,430.72)	(1,672.11)
VI.	Exceptional items		150.31	-
VII.	Profit/Loss before tax (V + VI)		(1,280.41)	(1,672.11)
VIII.	Tax Expenses:			
a.	Current Tax			
i.	Relating to current year		-	-
ii.	Relating to earlier year		-	-
b.	Deferred tax liability /(Asset)			
i.	On Temporary Differences		-	-
	<b>Total Tax Expenses (VIII)</b>		<b>-</b>	<b>-</b>
IX.	Profit/Loss for the year (VII - VIII)		(1,280.41)	(1,672.11)
X.	Other Comprehensive income	33		
(a)	Items that will be reclassified to the profit or loss		-	-
(b) i.	Items that will not be reclassified subsequently to profit or loss		39.83	(6.35)
ii.	Income tax relating to items that will not be reclassified to profit or loss		-	-
	<b>Total Other Comprehensive Income (X)</b>		<b>39.83</b>	<b>(6.35)</b>
XI.	<b>Total Comprehensive Income for The Year (IX + X)</b>		<b>(1,240.58)</b>	<b>(1,678.46)</b>
XII.	Earnings per equity share from Continuing operations:	34	(25.82)	(33.71)
	Basic and Diluted			
	Significant Accounting policies and key accounting adjustments and judgements	1-49		

As per our report of even date

For **K.S.Rao & Co.**  
Chartered Accountants  
Firms' Registration Number: 003109S

**M.Naga Prasadu**  
Partner  
Membership Number:231388

Place: Hyderabad  
Date: 30th May, 2018

For and on behalf of Board of Directors  
**Sheshadri Industries Limited**

**J.K. Agarwal**  
Managing Director & CFO

**Surender Kumar Agarwal**  
Director



**Statement of Changes in Equity for the year ended March 31, 2018** (Figures in Rs. Lakhs)

**I Equity Share capital**

Particulars	At the beginning of the year	Changes during the year	At the end of the year
For the year ended March 31, 2018	495.96	-	495.96
For the year ended March 31, 2017	495.96	-	495.96
For the year ended April 01, 2016	495.96	-	495.96

**II Other Equity**

Particulars	Reserves and Surplus		Other comprehensive Income	Equity portion of Compound Financial Liabilities	Total
	Securities Premium	Surplus in Statement of Profit and Loss			
<b>As at April 01, 2016</b>	243.99	(346.49)	-	43.44	(59.06)
Profit/Loss for the year	-	(1,672.11)	-	-	(1,672.11)
Other comprehensive income	-	-	(6.35)	-	(6.35)
<b>Total comprehensive income</b>	-	(1,672.11)	(6.35)	-	(1,678.46)
Equity portion of loan from Directors	-	-	-	3.69	3.69
<b>As at March 31, 2017</b>	243.99	(2,018.60)	(6.35)	47.13	(1,733.83)
Profit/Loss for the year	-	(1,280.41)	-	-	(1,280.41)
Other comprehensive income	-	-	39.83	-	39.83
<b>Total comprehensive income</b>	-	(1,280.41)	39.83	-	(1,240.58)
Equity portion of loan from Directors	-	-	-	5.90	5.90
<b>As at March 31, 2018</b>	243.99	(3,299.01)	33.48	53.03	(2,968.51)

See accompanying notes forming part of financials statements

As per our report of even date

For **K.S.Rao & Co.**  
Chartered Accountants  
Firms' Registration Number: 003109S

**M.Naga Prasadu**  
Partner  
Membership Number:231388

Place: Hyderabad  
Date: 30th May, 2018

For and on behalf of Board of Directors  
**Sheshadri Industries Limited**

**J.K. Agarwal**  
Managing Director & CFO

**Surender Kumar Agarwal**  
Director

**Cash Flow statement for the year ended 31st March, 2018**

(Figures in Rs. Lakhs)

Particulars	for the year ended 31.03.2018	for the year ended 31.03.2017
<b>I Cash flow from operating activities:</b>		
<b>A. Profit/(Loss) before tax</b>	(1,280.41)	(1,672.11)
<b>B. Adjustment for:</b>		
a. Depreciation and amortisation expense	242.74	219.60
b. Interest income	(18.88)	(13.89)
d. (Profit)/Loss on sale of fixed assets (Net)	(4.64)	0.36
e. Provisions Written back	(7.85)	(0.24)
f. Unrealized foreign exchange gain (Net)	0.67	(24.77)
g. Finance cost	212.08	654.55
h. Debit balance written off	0.68	0.07
i. Items under other comprehensive income	39.83	(6.35)
j. Interest on Unsecured Loans	23.50	15.61
	<b>(792.29)</b>	<b>(827.17)</b>
<b>C. Adjustment for movements in Working capital</b>		
a. Trade payables	115.04	369.43
b. Other liabilities and Provisions	840.04	594.93
c. Trade receivables	16.42	201.09
d. Inventories	892.91	535.92
e. Financial and other current assets	(59.78)	249.38
<b>D. Cash generated from Operations</b>	<b>1,012.34</b>	<b>1,123.59</b>
Less: Direct taxes Paid	(4.95)	(0.94)
<b>Net cash flow from operating activities (I)</b>	<b>1,007.39</b>	<b>1,122.64</b>
<b>II Cash flows from investing activities</b>		
a. Purchase of fixed assets, including CWIP	(142.87)	(569.10)
b. Proceeds from sale of fixed assets	11.00	2.75
c. Maturity of security deposits	41.19	4.64
d. Sale/(Purchase) of investments	-	58.90
e. Proceeds from redemption/maturity of bank deposit	115.00	19.20
f. Interest received	19.52	13.89
<b>Net cash flow from/ (used in) investing activities (II)</b>	<b>43.83</b>	<b>(469.72)</b>

**Cash Flow statement (Contd...)**

(Figures in Rs. Lakhs)

Particulars	for the year ended 31.03.2018	for the year ended 31.03.2017
<b>III Cash flows from financing activities</b>		
a. Interest paid	(558.60)	(397.05)
b. Repayment of loans and borrowings	(484.21)	(269.52)
<b>Net cash flow from/ (used in) financing activities (III)</b>	<b>(1,042.80)</b>	<b>(666.56)</b>
<b>IV Net (decrease) in cash and cash equivalents (I + II + III)</b>	<b>8.42</b>	<b>(13.64)</b>
Cash and cash equivalents at the beginning of the year	9.93	23.58
<b>V Cash and cash equivalents at the end of the year</b>	<b>18.36</b>	<b>9.93</b>
<b>VI Components of cash and cash equivalents:</b>		
a. Cash on hand	1.06	3.36
b. With banks		
i. on current account	17.30	6.57
<b>Total cash and cash equivalents (note no.12)</b>	<b>18.36</b>	<b>9.93</b>

As per our report of even date

For **K.S.Rao & Co.**  
Chartered Accountants  
Firms' Registration Number: 003109S

**M.Naga Prasadu**  
Partner  
**Membership Number:231388**  
Place: Hyderabad  
Date: 30th May, 2018

For and on behalf of Board of Directors  
**Sheshadri Industries Limited**

**J.K. Agarwal**  
Managing Director & CFO

**Surender Kumar Agarwal**  
Director



## 1. Corporate Information

Sheshadri Industries Limited (The 'Company') is a public limited Company incorporated on 21.08.2009 and its Registered Office is at 6th Floor, Surya towers, 105 S P Road, Secunderabad -50003, Telangana State. The Company is engaged in manufacturing of cotton, Polyester Yarn, Blended yarns and Ready made Garments. The Company is listed on BSE.

The Financial Statements of the company for the year ended March 31, 2018 are approved by the Board of Directors of the company on May 30th, 2018.

## 2. Basic of preparation :-

These are the first financial statements prepared in accordance with Indian Accounting Standards (Ind AS) notified under the section 133 of the Companies Act ("the Act"), Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

The Company has consistently applied the accounting policies used in the preparation of opening balance sheet as at April 01, 2016 throughout all periods presented in these financial statements, as if these policies had always been in effect and are covered by Ind AS 101 "First-time adoption of Indian Accounting Standards". The transition was carried out from accounting principles generally accepted in India which is considered as the previous GAAP ("Previous GAAP"), as defined in Ind AS 101. The reconciliation of effects of the transition as required by Ind AS 101 is disclosed in Note no 46 to these financial statements.

The financial statements have been prepared on a historical cost basis, except for certain financial instruments which have been measured at fair value at the end of each reporting period, as explained in the accounting policies mentioned below.

The financial statements of the company are presented in Indian Currency (₹), which is also functional and presentation currency of the company.

### Recent Accounting Pronouncements:

#### **Amendment to Ind AS 7 Statement of Cashflows**

With effect from April 1, 2017, the Company has adopted the amendment to Ind AS 7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financial activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financial activities, to meet the disclosure requirement. The adoption of the amendment has been disclosed in the financial statements.

#### **Appendix to Ind AS 21 Foreign currency transactions and advance consideration:**

On March 28, 2018, the Ministry of Corporate Affairs ('the MCA') notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration, which clarifies the date of the transaction for the purpose of determining the exchange rate used on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in foreign currency.

The appendix is effective for annual periods beginning on or after April 1, 2018. However, since the Company's current practice is in line with the interpretation, the Company does not expect any effect on its financial statements.

#### **Ind AS 115, Revenue from Contract with Customer:**

On March 28, 2018, the MCA notified the Ind AS 115. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further, the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

- **Retrospective approach-** Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8, **Accounting Policies, changes in Accounting Estimates and Errors**.
- **Retrospectively with cumulative effect of initially applying the standard recognised at the date of initial application (Cumulative catch-up approach)**





The effective date for adoption of Ind AS 115 is financial period beginning on or after April 1, 2018.

The company is in the process of evaluating the impact on its revenue due to implementation of Ind AS 115.

#### **Amendments to Ind AS 12 - Recognition of Deferred Tax Assets for Unrealised Losses:**

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.

These amendments are effective for annual periods beginning on or after April 01, 2018. These amendments are not expected to have any impact on the company as the company has no deductible temporary differences or assets that are in the scope of the amendments.

### **03. Significant Accounting policies:**

#### **a) Significant accounting estimates and assumptions**

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities and the disclosures of contingencies at the end of the each reporting year. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in outcomes that requiring a material adjustment to the carrying amounts of assets or liabilities affected in future periods.

##### **Estimates and assumptions:**

The key assumptions concerning the future and other key sources of estimation of uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The assumptions and estimates made by the company are based on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market change or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

##### **i. Impairment of non-current assets:**

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposals and its value in use. The fair value less costs of disposal is calculated based on available data from binding sales transactions, conducted at arm's length price, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a Discounted Cash Flow ("DCF") model. The value in use is sensitive to the discount rate (generally weighted average cost of capital) used for the DCF model as well as the expected future cash-inflows and the growth rate used for exploration purposes.

##### **ii. Defined Benefit Plans:**

The present value of the gratuity obligation is determined using actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, rate of increment in salaries and mortality rates. Due to complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All the assumptions are reviewed at each reporting date.

##### **iii. Fair Value measurement of financial instruments:**

When the fair values of financial assets and financial liabilities on reporting date cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques i.e., the DCF model. The inputs to these models are taken from observable markets.



**iv. Contingencies:**

Management judgement is required for estimating the possible inflow/outflow of resources, if any, in respect of contingencies/claim/litigations against the company/by the company as it is not possible to predict the outcome of pending matters with accuracy.

**v. Property, Plant and Equipment:**

Based on evaluations done by technical assessment team, the management has adopted the useful life and residual value of its Property, Plant and Equipment. Management believes that the assigned useful lives and residual value are reasonable.

**vi. Intangibles:**

Internal technical or user team assesses the useful lives of Intangible assets. Management believes that assigned useful lives are reasonable.

**vii. Income Taxes:**

Management judgment is required for the calculation of provision for income taxes and deferred tax assets/liabilities. The Company reviews at each balance sheet date the carrying amount of deferred tax assets/liabilities. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the financial statements.

**b) Current Vs Non-current classifications:**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it satisfies below criteria:

- i. Expected to be realised or intended to be sold or consumed in normal operating cycle;
- ii. Held primarily for the purpose of trading;
- iii. Expected to be realised within twelve months after the reporting period, or
- iv. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current assets.

A liability is classified as current when it satisfies below criteria:

- i. Expected to settle the liability in normal operating cycle;
- ii. Held primarily for the purpose of trading;
- iii. Due to be settled within twelve months after the reporting period, or
- iv. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current liabilities.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

**c) Property, Plant and Equipment:**

Property, Plant and Equipment are stated at cost net of GST input credit, less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price, any attributable cost of bringing the asset to its working condition for its intended use and cost of borrowing till the date of capitalisation in the case of assets involving material investment and substantial lead time.

Subsequent costs are included in the carrying amount of an asset or recognised as a separate asset, as appropriate, only if it is probable that the future economic benefits associated with the item will flow to the company and the cost



of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit and loss in the period in which they are incurred.

The company adopted cost model as its accounting policy, in recognition of the Property, Plant and Equipment and recognises at the transaction value as the cost.

Direct expenditure incurred and other attributable costs on projects under construction or in the process of installation are termed as Capital work in progress and shown at cost in the Balance Sheet.

Depreciation is provided on the straight line method as per the useful life prescribed in the schedule II to the Companies Act, 2013 except in respect of the following categories of assets in whose case the life of certain assets has been assessed based on technical advice taking into account the nature of the asset, the estimated usage of the asset, the operating condition of the asset, past history of replacement, maintenance supports etc.

**Estimated useful life of the assets are as follows:**

Type of the Asset	Method of Depreciation	Useful life considered
Buildings	Straight line Method	3 – 60 Years
Plant and Machinery	Straight line Method	5 - 15 Years
Data processing equipment	Straight line Method	3 Years
Furniture and fixtures	Straight line Method	10 Years
Vehicles	Straight line Method	8 Years
Office Equipment	Straight line Method	5 Years

An item of Property, Plant and Equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in the Statement of Profit and Loss. Property, Plant and Equipment which are found to be not usable or retired from active use or when no further benefits are expected from their use are removed from the books of account and the carrying value, if any, is charged to Statement of Profit and Loss.

**Transition to Ind AS:**

On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant, and equipment recognised as at March 31, 2016 measured as per Previous GAAP as the deemed cost of property plant and equipment.

**d) Intangible Assets:**

Intangible assets are carried at cost, net of accumulated amortisation expenses and impairment losses, if any. Cost of an intangible asset comprise of purchase price and attributable expenditure on making the asset ready for its intended use.

**Computer software:**

Costs incurred towards purchase of computer software are amortised over the useful life as estimated by the Management which is about 3 years for all of the intangible computer software assets.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use of disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in the Statement of Profit and Loss when the asset is derecognised.

**e) Impairment of tangible and intangible assets:**

- i. The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present



value using appropriate discounting factor. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

- ii. When there is an indication that previously recognised impairment losses no longer exists or may have decreased, then such impairment losses are recognised in the Statement of profit and loss.

**f) Borrowing Cost:**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in statement of profit and loss in the period in which they are incurred.

**g) Inventories:**

**i. Stock-in-Trade (Finished Goods) and Stock-in-Process:**

Stock-in-Trade and Stock-in-Process are stated at the lower of cost and net realizable value. Net realisable value represents the estimated selling price of inventories less estimated costs of completion and costs necessary to make the sale. Cost is determined on weighted average basis.

**ii. Stores and Spares:**

Spare parts, stand-by equipment and servicing equipment are recognised in accordance with Ind AS 16 when they meet the definition of Property, Plant and Equipment. Otherwise, such items are classified as inventory. Spare parts, stand-by equipment and servicing equipment classified as inventory are stated at cost. Cost is determined on weighted average basis.

**iii. Raw Materials:**

Raw Materials are stated at Cost. Cost is determined on weighted average basis.

**h) Fair Value Measurement:**

The Company measures financial instruments at fair value at each balance sheet date. Fair value is the price that would be received on selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or a liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and / or disclosure purpose in these financial statements is determined on such basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value, such as net realisable value in Ind AS 2, or value in use in Ind AS 36.

In addition, for financial reporting purpose, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurement are observable and the significance of the inputs to the fair value measurement in its entirety.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- i. Level 1 – Quoted (unadjusted market prices) in active markets for identical assets or liabilities.
- ii. Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurements is directly or indirectly observable.
- iii. Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.



**i) Revenue recognition:**

**i. Revenue from operations:**

Revenue is recognized when all the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract, the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the entity. Revenue from operations includes sale of goods, net of Goods and Service Tax (GST) and trade discounts, cash discounts and other discounts.

**ii. Interest/dividend:**

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend income is recognised when the right to receive payment is established by the balance sheet date.

**iii. Incentives on Export Sales:**

Income from Incentives on Export Sales is recognised as income on accrual basis.

**j) Foreign currency transactions:**

In preparing the financial statements of the Company, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when fair value is determined. Non-monetary items are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in the statement of profit and loss in which they arise except for exchange differences on transactions entered into in order to hedge certain foreign currency risks.

**k) Retirement and other employee benefits:**

i. Employer's contribution to Provident Fund, Employee State Insurance and Labour Welfare Fund which is in the nature of defined contribution scheme is expensed off when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the fund.

ii. Gratuity liability is in the nature of defined benefit obligation. The company's Plan Assets comprise of Gratuity fund maintained by Life Insurance Corporation of India and liability is provided based on independent actuarial valuation on projected unit credit method made at the end of each reporting period as per the requirements of Ind AS 19 on "Employee Benefits".

Actuarial gain/(loss) in the valuation are recognised as other comprehensive income for the period.

iii. Compensated absences which are in the nature of defined benefit obligation are provided for based on estimates and provided for on the basis of independent actuarial valuation on projected unit credit method made at the end of each financial year as per the requirements of Ind AS 19 on "Employee Benefits".

**l) Earnings Per Share:**

Basic earnings per share is calculated by dividing the profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**m) Provisions:**

Provisions are recognised when there is a present legal or constructive obligation that can be estimated reliably, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.



Any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provisions.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provisions are reversed. Where the effect of the time of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provisions due to the passage of time is recognised as a finance cost.

**n) Contingencies:**

Where it is not probable that an inflow or an outflow of economic resources will be required, or the amount cannot be estimated reliably, the asset or the obligation is not recognised in the balance sheet and is disclosed as a contingent asset or contingent liability, unless the probability of inflow or outflow of economic benefits is remote. Possible outcomes on obligations/rights, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent assets or contingent liabilities unless the probability of inflow or outflow of economic benefits is remote.

**o) Taxes on Income:**

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Current tax includes taxes to be paid on the profit earned during the year and for the prior periods.

Deferred income taxes are provided based on the balance sheet approach considering the temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if it is probable that they can be utilised against future taxable profits.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The company writes-off the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-off is reversed to the extent that it becomes reasonably certain that sufficient future taxable income will be available.

**q) Prior period items:**

In case prior period adjustments are material in nature the company prepares the restated financial statement as required under Ind AS 8 - "Accounting Policies, Changes in Accounting Estimates and Errors". In case of immaterial items pertaining to prior periods are shown under respective items in the Statement of Profit and Loss.

**p) Cash and cash equivalents:**

Cash and cash equivalents includes cash on hand and at bank, deposits held at call with banks, other short-term highly liquid investment with original maturities of three months or less that are readily convertible to a known amount of cash as are subject to an insignificant risk of changes in value and are held for meeting short-term cash commitments.

For the Statement of Cash Flows, cash and cash equivalents consists of short term deposits, as defined above, net of outstanding bank overdraft (if any) as they being considered as integral part of the company's cash management.

**q) Financial instruments:**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.



**Financial Assets:**

**A. Initial recognition and measurement:**

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in statement of profit or loss. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the company commits to purchase or sell the asset.

**B. Subsequent measurement:**

For subsequent measurement, financial assets are classified into following categories:

- a. Debt instruments at amortised cost
- b. Debt instruments at fair value through profit and loss
- c. Equity instruments at fair value through profit and loss
- a. **Debt Instruments at amortised cost:**

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- i. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- ii. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.

**b. Debt instrument at fair value through profit and loss (FVTPL):**

AS per the Ind AS 101 and Ind AS 109 company is permitted to designate the previously recognised financial asset at initial recognition irrecoverably at fair value through profit or loss on the basis of facts and circumstances that exists on the date of transition to Ind AS. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

**c. Equity Instruments at fair value through profit and loss (FVTPL):**

Equity instruments in the scope of Ind AS 109 are measured at fair value. The classification is made on initial recognition and is irrevocable. Subsequent changes in the fair values at each reporting date are recognised in the statement of profit and loss.

**C. Derecognition:**

A financial asset or where applicable, a part of a financial asset is primarily derecognised when:

- a. The rights to receive cash flows from the asset have expired, or
- b. The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When



it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognise the transferred asset to the extent of the company's continuing involvement.

**D. Impairment of financial assets:**

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the debt instruments, that are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance.

Expected credit loss is the difference between all contractual cash flows that are due to the company in accordance with the contract and all the cash flows that the entity expects to receive.

The management uses a provision matrix to determine the impairment loss on the portfolio of trade and other receivables. Provision matrix is based on its historically observed expected credit loss rates over the expected life of the trade receivables and is adjusted for forward looking estimates.

Expected credit loss allowance or reversal recognised during the period is recognised as income or expense, as the case may be, in the statement of profit and loss. In case of balance sheet it is shown as reduction from the specific financial asset.

**Financial liabilities:**

**A. Initial recognition and measurement:**

At initial recognition, all financial liabilities are recognised at fair value and in the case of loans, borrowings and payables, net of directly attributable transaction costs.

**B. Subsequent measurement:**

**a. Financial liabilities at fair value through profit or loss:**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Gain or losses on liabilities held for trading are recognised in the statement of profit and loss.

The company doesn't designate any financial liability at fair value through profit or loss.

**b. Financial liabilities at amortised cost:**

Amortised cost, in case of financial liabilities with maturity more than one year, is calculated by discounting the future cash flows with effective interest rate. The effective interest rate amortisation is included as finance costs in the statement of profit and loss.

Financial liability with maturity of less than one year is shown at transaction value.

**C. Derecognition:**

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in statement of profit and loss as other income or finance costs.

**r) Segment reporting:**

The Company has only one reportable business segment, which is textile products and operates in a single business segment. Accordingly, the amounts appearing in the financial statements relate to the company's single business segment.

**s) Exceptional Items**

Significant gains/losses or expenses incurred arising from external events that is not expected to recur are disclosed as 'Exceptional Item'.





(Figures in Lakhs)

Notes forming part of the financial statement as at 31st March, 2018

4. Property, Plant and Equipment

Sl. No.	Particulars	Gross Block			Depreciation Block			Net Block			
		As at 31.03.2017	Additions	Disposals	As at 31.03.2018	upto 31.03.2017	Charge for the year	On Disposals	upto 31.03.2018	As at 31.03.2017	As at 31.03.2018
01	Land (Freehold)	8.62	-	-	8.62	-	-	-	-	8.62	8.62
<b>02</b>	<b>Buildings</b>										
-	Factory Buildings	773.47	227.19	-	1,000.66	311.14	24.27	-	335.41	462.33	665.25
-	Non-Factory Buildings	77.76	-	-	77.76	25.84	1.28	-	27.12	51.92	50.64
-	Township	115.21	-	-	115.21	24.31	1.70	-	26.01	90.90	89.20
<b>03</b>	<b>Plant And Equipment</b>										
-	Testing Equipment	7,091.73	115.80	121.79	7,085.74	3,191.25	189.89	115.43	3,265.71	3,900.48	3,820.03
-	Canteen Equipment	14.19	-	-	14.19	13.46	0.02	-	13.48	0.73	0.71
-	Electrical Installations	1.26	-	-	1.26	0.44	0.13	-	0.57	0.82	0.69
-	Workshop Equipment	162.48	-	-	162.48	101.25	7.73	-	108.98	61.23	53.50
-	Weighing Machines	1.22	-	-	1.22	1.16	-	-	1.16	0.06	0.06
-	Water Works	10.16	-	-	10.16	5.98	0.67	-	6.65	4.18	3.51
-	Air Conditioners	11.49	-	-	11.49	10.91	-	-	10.91	0.57	0.57
04	Furniture and Fixtures	33.14	-	-	33.14	9.72	2.88	-	12.60	23.42	20.54
05	Office Equipment	17.78	-	-	17.78	15.96	0.48	-	16.44	1.82	1.34
06	Vehicles	16.98	-	-	16.98	14.31	0.65	-	14.96	2.67	2.02
07	Data Processing	108.30	-	-	108.30	67.95	11.35	-	79.30	40.34	28.99
		44.59	0.27	-	44.86	40.82	1.70	-	42.52	3.77	2.34
	<b>Grand Total</b>	<b>8,488.39</b>	<b>343.26</b>	<b>121.79</b>	<b>8,709.86</b>	<b>3,834.52</b>	<b>242.74</b>	<b>115.43</b>	<b>3,961.82</b>	<b>4,653.88</b>	<b>4,748.04</b>



Notes forming part of the financial statement as at 31st March, 2018

(Figures in Lakhs)

Sl. No.	Particulars	Gross Block			Depreciation Block			Net Block			
		As at 01.04.2016	Additions	Disposals	As at 31.03.2017	upto 01.04.2016	Charge for the year	On Disposals	upto 31.03.2017	As at 01.04.2016	As at 31.03.2017
01	Land (Freehold )	8.62	-	-	8.62	-	-	-	-	8.62	8.62
<b>02</b>	<b>Buildings</b>										
	- Factory Buildings	462.98	310.49	-	773.47	288.82	22.32	-	311.14	174.16	462.33
	- Non-Factory Buildings	77.76	-	-	77.76	24.57	1.28	-	25.84	53.20	51.92
	- Township	115.21	-	-	115.21	22.62	1.70	-	24.31	92.60	90.90
<b>03</b>	<b>Plant And Equipment</b>	<b>3,799.28</b>	<b>3,347.61</b>	<b>55.16</b>	<b>7,091.73</b>	<b>3,076.05</b>	<b>167.25</b>	<b>52.06</b>	<b>3,191.25</b>	<b>723.23</b>	<b>3,900.48</b>
	- Testing Equipment	14.19	-	-	14.19	13.43	0.03	-	13.46	0.76	0.73
	- Canteen Equipment	1.26	-	-	1.26	0.31	0.13	-	0.44	0.95	0.82
	- Electrical Installations	114.04	48.44	-	162.48	93.72	7.53	-	101.25	20.32	61.23
	- Workshop Equipment	1.22	-	-	1.22	1.16	-	-	1.16	0.06	0.06
	- Weighing Machines	9.26	0.90	-	10.16	5.31	0.67	-	5.98	3.95	4.18
	- Water Works	11.49	-	-	11.49	10.86	0.05	-	10.91	0.63	0.57
	- Air Conditioners	11.00	22.14	-	33.14	6.97	2.75	-	9.72	4.03	23.42
04	Furniture and Fixtures	17.78	-	-	17.78	15.46	0.50	-	15.96	2.32	1.82
05	Office Equipment	16.74	0.25	-	16.98	13.65	0.66	-	14.31	3.09	2.67
06	Vehicles	108.30	-	-	108.30	56.03	11.93	-	67.95	52.27	40.34
07	Data Processing	44.48	0.11	-	44.59	38.01	2.81	-	40.82	6.47	3.77
	<b>Grand Total</b>	<b>4,813.62</b>	<b>3,729.94</b>	<b>55.16</b>	<b>8,488.39</b>	<b>3,666.97</b>	<b>219.60</b>	<b>52.06</b>	<b>3,834.52</b>	<b>1,146.64</b>	<b>4,653.88</b>



Notes forming part of the financial statement as at 31st March, 2018

(Figures in Lakhs)

5. Capital Work in Progress

Sl. No.	Particulars	Gross Block			
		As at 31.03.2017	Additions	Deletions	As at 31.03.2018
01	Capital Work in Progress	200.38	142.87	343.26	0.00
	<b>Grand Total</b>	<b>200.38</b>	<b>142.87</b>	<b>343.26</b>	<b>0.00</b>

Sl. No.	Particulars	Gross Block			
		As at 01.04.2016	Additions	Deletions	As at 31.03.2017
01	Capital Work in Progress	3,361.22	568.08	3,728.92	200.38
	<b>Grand Total</b>	<b>3,361.22</b>	<b>568.08</b>	<b>3,728.92</b>	<b>200.38</b>

6. Intangible Assets

Sl. No.	Particulars	Gross Block			Amortisation			Net Block			
		As at 31.03.2017	Additions	Deletions	As at 31.03.2018	Upto 01.04.2017	On Deletions	Upto 31.03.2018	As at 31.03.2018	Upto 31.03.2017	As at 31.03.2017
01	Computer Software	2.56	-	-	2.56	2.44	-	2.44	0.13	0.13	0.13
	<b>Grand Total</b>	<b>2.56</b>	<b>-</b>	<b>-</b>	<b>2.56</b>	<b>2.44</b>	<b>-</b>	<b>2.44</b>	<b>0.13</b>	<b>0.13</b>	<b>0.13</b>

Sl. No.	Particulars	Gross Block			Amortisation			Net Block			
		As at 01.04.2016	Additions	Deletions	As at 31.03.2017	Upto 01.04.2016	On Deletions	Upto 31.03.2017	As at 31.03.2017	Upto 01.04.2016	As at 01.04.2016
01	Computer Software	2.56	-	-	2.56	2.44	-	2.44	0.13	0.13	0.13
	<b>Grand Total</b>	<b>2.56</b>	<b>-</b>	<b>-</b>	<b>2.56</b>	<b>2.44</b>	<b>-</b>	<b>2.44</b>	<b>0.13</b>	<b>0.13</b>	<b>0.13</b>



Notes forming part of the financial statement as at 31st March, 2018

(Figures in ` Lakhs)

Note No.	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
7.	<b>Financial Assets - Loans :</b>			
a.	<b>Security Deposits - Recoverable</b> (Telephone, APSEB, Electricity ,Coal deposits and others)	64.46	105.65	110.29
	<b>Total</b>	64.46	105.65	110.29
8.	<b>Financial Assets - Investments:</b> <b>Investments consists of following</b> Investments in Equity Instruments			
a.	<b>Investments in related entities measured at FVTPL:</b>			
	Unquoted			
(i)	<b>Seshadri Power And Infrastrucure Private Limited</b>	-	-	58.90
	<b>Total</b>	-	-	58.90
9.	<b>Other Financial Assets - Non Current:</b>			
a.	Margin Money Deposits	-	-	115.00
	<b>Total</b>	-	-	115.00
10.	<b>Inventories:</b>			
a.	Rawmaterials	446.33	906.57	1,100.16
b.	Finished Goods (Stock in Trade)	51.98	286.67	299.35
c.	Stores and Spares	171.10	235.55	266.55
d.	Work in Progress	57.52	188.28	476.53
e.	Others -Cotton & PV waste(at realizable value)	5.21	7.98	18.38
	<b>Total</b>	732.14	1,625.05	2,160.97



Notes forming part of the financial statement as at 31st March, 2018

(Figures in ` Lakhs)

Note No.	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
11.	<b>Trade Receivables:</b>			
a.	<b>Unsecured, Considered Good</b>			
i.	Related Parties	-	-	-
ii.	Others	199.98	217.75	394.14
	<b>Total</b>	<b>199.98</b>	<b>217.75</b>	<b>394.14</b>
12.	<b>Cash and cash equivalents:</b>			
a.	<b>Balances with banks</b>			
-	Current Accounts	17.30	6.57	16.72
b.	Cash on Hand	1.06	3.36	6.86
	<b>Total</b>	<b>18.36</b>	<b>9.93</b>	<b>23.58</b>
13.	<b>Bank Balances Other than Above</b>			
a.	Margin Money Deposits and Bank Guarantees	-	115.00	19.20
	<b>Total</b>	<b>-</b>	<b>115.00</b>	<b>19.20</b>
14.	<b>Other financial assets - Current:</b>			
a.	Staff Advances	2.75	0.67	3.77
b.	Interest Accrued	-	0.64	0.64
	<b>Total</b>	<b>2.75</b>	<b>1.31</b>	<b>4.41</b>
15.	<b>Other Current Assets:</b>			
a.	Advance for capital purchase	-	21.58	192.16
b.	Advance for purchase of raw material and stores	150.43	105.40	138.42
c.	Balance with Statutory Authorities	125.09	39.30	28.01
d.	Prepaid Expenses	2.74	16.37	22.95
e.	Subsidies Receivable	-	16.88	41.46
f.	Export Licence Receivable	384.49	405.57	427.70
g.	Other Advances	24.01	23.95	24.63
	<b>Total</b>	<b>686.75</b>	<b>629.05</b>	<b>875.33</b>



## Notes forming part of the financial statement as at 31st March, 2018

(Figures in ` Lakhs)

Note No.	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
16.	<b>Share capital:</b>			
a.	<b>Authorised Share Capital:</b>			
	50,00,000 Equity Shares of Rs. 10/- each	500.00	500.00	500.00
		500.00	500.00	500.00
b.	<b>Issue Share Capital:</b>			
	49,59,577 Equity shares of Rs 10/- each	495.96	495.96	495.96
		495.96	495.96	495.96
c.	<b>Subscribed and paid up capital:</b>			
	49,59,577 Equity shares of Rs 10/- each	495.96	495.96	495.96
		495.96	495.96	495.96
d.	<b>Reconciliation of the shares outstanding at the beginning and at the end of year:</b>			
i.	<b>Equity Share Capital</b>			
	In no. of Shares			
	At the Beginning and at the end of the year	4,959,577	4,959,577	4,959,577
ii.	<b>In value of Shares</b>			
	At the Beginning and at the end of the year	495.96	495.96	495.96
e.	<b>Rights attached to the Equity Shares:</b>			
(i)	The company has only one class of equity shares having a face value of Rs. 10/- per share with one vote per each share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.			
(ii)	In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.			
f.	Details of Shareholders holding more than 5% shares in the company:			



Notes forming part of the financial statement as at 31st March, 2018

(Figures in ` Lakhs)

Note No.	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>g.</b>	<b>Equity Shares:</b>			
i.	Jeetender Kumar Agarwal			
	In no.s	2,127,269	2,127,269	2,127,269
	- In %	42.89%	42.89%	42.89%
ii.	Badrinarayan Agarwal-Family Trust			
	In no.s	268,203	268,203	268,203
	- In %	5.41%	5.41%	5.41%
iii.	Westend Developers Ltd			
	In no.s	481,000	481,000	481,000
	- In %	9.70%	9.70%	9.70%
<b>17.</b>	<b>Other Equity:</b>			
<b>a.</b>	<b>Securities Premium</b>			
	At the beginning and at the end of the year	243.99	243.99	243.99
	Closing Balance	243.99	243.99	243.99
<b>b.</b>	<b>Surplus in Statement of Profit and Loss</b>			
i.	At the beginning of the year	(2,018.60)	(346.49)	(70.70)
	(+) For the current year	(1,280.41)	(1,672.11)	(283.91)
ii.	Adjustment due to adoption of IndAS	-	-	8.13
iii.	At the end of the year	(3,299.01)	(2,018.60)	(346.49)
<b>c.</b>	<b>Other Comprehensive Income</b>			
	On Actuarial Gain/(loss) on post employment benefits			
i.	At the beginning of the year	(6.35)	-	-
ii.	Profit/Loss Transferred from the statement of Profit and loss	39.83	(6.35)	-
iii.	At the end of the year	33.48	(6.35)	-
<b>d.</b>	<b>Equity portion on Interest free unsecured loan from Directors</b>	53.03	47.13	43.44
	<b>Total</b>	<b>(2,968.51)</b>	<b>(1,733.83)</b>	<b>(59.06)</b>



## Notes forming part of the financial statement as at 31st March, 2018

(Figures in ` Lakhs)

Note No.	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>18.</b>	<b>Borrowings - Non Current:</b>			
a.	<b>Term loans-Secured</b>		(5.90)	(3.69)
i.	ICICI Bank Ltd	-	-	29.23
	Less: Current maturities	-	-	29.23
	<b>Sub total</b>	-	-	-
ii.	Andhra Bank-I	14.87	14.87	30.70
	Less: Current maturities	14.87	14.87	30.70
	<b>Sub total</b>	-	-	-
iii.	Andhra Bank -II	948.20	946.51	1,068.03
	Less: Current maturities	948.20	565.90	336.00
	<b>Sub total</b>	-	380.62	732.03
iv.	Andhra Bank -III	528.86	524.81	115.14
	Less: Current maturities	223.80	126.80	45.60
	<b>Sub total</b>	305.06	398.01	69.54
v.	Andhra Bank - Corporate Loan	1,030.31	1,028.33	1,039.23
	Less: Current maturities	217.50	117.50	22.00
	<b>Sub total</b>	812.81	910.83	1,017.23
vi.	State Bank of Hyderabad- Additional Term loan	440.72	439.74	419.21
	Less: Current maturities	93.70	50.50	50.00
	<b>Sub total</b>	347.02	389.24	369.21
vii.	Andhra Bank Buyer Credit	638.44	575.89	752.64
	<b>Sub total</b>	638.44	575.89	752.64
	<b>Total</b>	<b>2,103.33</b>	<b>2,654.58</b>	<b>2,940.65</b>

**Notes:**

- The Loans referred at (a) to (c) above are secured by mortgage of (present & future) movable and immovable properties of the Company on first charge pari passu basis & second pari passu charge on the current assets of the Company with existing term lenders and guaranteed by two Directors of the Company in their personal capacities.
- Working capital term loans referred at (g) above are Secured by way of hypothecation of Raw materials, Stock-in-process, finished goods and stores and spares and book debts of the Company and also secured by way of second charge on fixed assets of the company on pari passu basis and guaranteed by two Directors and relatives of directors the Company.

**Terms of Repayment :**

Particulars	Sanction Date	Rate of Interest	Quarterly Instalments
a) Andhra Bank -II	09.02.2015	15.00%	8
b) Andhra Bank - Corporate Loan	09.02.2015	14.75%	24
c) State Bank of Hyderabad- Additional Term loan	28.03.2015	14.75%	24
d) Andhra Bank -III	09.02.2015	14.75%	14





## Notes forming part of the financial statement as at 31st March, 2018

(Figures in ` Lakhs)

Note No.	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>b.</b>	<b>Other loans and advances</b>			
	Vehicle Hire Purchase Loan	-	-	1.67
	<b>Total</b>	-	-	1.67
<b>c.</b>	<b>Unsecured loans</b>			
i.	Loans from related parties			
	- Unsecured Loan from Directors	118.12	131.88	99.96
ii.	Inter-corporate Deposits	729.79	676.38	339.26
	<b>Total</b>	847.92	808.25	439.22
	<b>Total (A+B+C)</b>	2,951.24	3,462.83	3,381.54
<b>19.</b>	<b>Provisions - Non Current:</b>			
	<b>Provision for employee benefits</b>			
a.	Leave Encashment (unfunded)	6.35	9.11	4.27
b.	Provision for Gratuity	99.08	106.01	82.00
	<b>Total</b>	105.43	115.12	86.27
<b>20.</b>	<b>Short term borrowings repayable on demand:</b>			
a.	<b>Secured</b>			
i.	<b>Andhra Bank</b>			
	Cash Credit	599.45	395.66	367.59
	Packing Credit	552.55	761.36	2.26
	Pcfc from Andhra Bank	0.03	0.03	851.40
ii.	<b>State Bank of Hyderabad</b>			
	Cash Credit	122.32	70.65	125.87
	Packing Credit	359.08	359.08	134.06
	Pcfc from SBH	-	-	216.92
iii.	<b>Andhra Bank Adhoc</b>	-	-	226.99
	<b>Total</b>	1,633.43	1,586.78	1,925.08

**Note:**

- All Working Capital loans are secured by hypothecation of stocks of raw materials, yarn, fabric, stock-in-process, stores and spares and book debts and by a second mortgage over the (present and future) movable & immovable properties of the Company on pari-passu basis and further guaranteed by three Directors of the Company in their personal capacities.



## Notes forming part of the financial statement as at 31st March, 2018

(Figures in ` Lakhs)

Note No.	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>b.</b>	<b>Other loans and advances</b>			
	Vehicle Hire Purchase Loan			
	- Mahindra and Mahindra Financials Ltd	-	1.67	1.75
	- Kotak mahindra bank Ltd	-	-	0.52
	<b>Total</b>	-	1.67	2.27
	<b>Total (a+b)</b>	<b>1,633.43</b>	<b>1,588.46</b>	<b>1,927.34</b>
<b>21.</b>	<b>Trade Payables - Current:</b>			
	For Supplies and Services			
	a. Related Parties	-	-	-
	b. Others	<b>1,967.49</b>	1,860.31	1,491.12
	<b>Total</b>	<b>1,967.49</b>	<b>1,860.31</b>	<b>1,491.12</b>
<b>22.</b>	<b>Other financial liabilities - Current:</b>			
	<b>a. Current maturities of long term borrowings</b>			
	i. ICICI Bank Ltd	-	-	29.23
	ii. Andhra Bank-I	<b>14.87</b>	14.87	30.70
	iii. Andhra Bank -II	<b>948.20</b>	565.90	336.00
	iv. Andhra Bank -III	<b>223.80</b>	126.80	45.60
	v. Andhra Bank - Corporate Loan	<b>217.50</b>	117.50	22.00
	vi. State Bank of Hyderabad- Additional Term loan	<b>93.70</b>	50.50	50.00
	<b>Sub Total</b>	<b>1,498.07</b>	875.57	513.53
	<b>b. Interest accrued</b>	-	346.52	89.02
	<b>c. Salary &amp; Reimbursements</b>	<b>171.20</b>	125.39	80.99
	<b>d. Bonus Payable</b>	<b>31.77</b>	36.71	19.92
	<b>e. Other payables</b>	<b>337.90</b>	241.18	217.74
	<b>Total (a+b+c+d+e)</b>	<b>2,038.94</b>	1,625.37	921.20
<b>23.</b>	<b>Provisions - Current:</b>			
	<b>a. Provision for employee benefits</b>			
	i. Provision for Gratuity	<b>0.39</b>	1.52	5.48
	ii. Leave Encashment (unfunded)	<b>0.05</b>	0.25	1.31
	iii. Contribution to PF & ESI	<b>120.64</b>	76.73	9.61
	<b>Total</b>	<b>121.07</b>	78.51	16.40



Notes forming part of the financial statement as at 31st March, 2018

(Figures in ` Lakhs)

Note No.	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
24.	<b>Other current liabilities:</b>			
	a. Advances received against sales	38.17	29.58	0.00
	b. Statutory Dues	79.55	41.06	13.33
		<b>117.72</b>	<b>70.64</b>	<b>13.33</b>
Note No.	Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	
25	<b>Revenue from Operations:</b>			
	<b>a. Domestic Sales</b>			
	i. Yarn	789.51	2,772.46	
	ii. Sale of Fabric	119.41	28.62	
	iii. Cotton Waste	4.97	147.66	
	iv. Garments	23.58	1.49	
	v. Job Work Charges Collected	143.29	-	
	<b>b. Export Sales</b>			
	i. Garments	2,668.91	2,842.66	
	<b>Total</b>	<b>3,743.76</b>	<b>5,764.64</b>	
26	<b>Other Income:</b>			
	<b>a. Interest Income on</b>			
	i. Bank Deposits	18.88	13.89	
	<b>b. Other Non-operating Income</b>			
	i. Sale of Scrap	0.53	-	
	ii. Gain on foreign currency transactions & translation	0.10	30.22	
	iii. Insurance Claims Received	0.64	-	
	iv. Export benefits entitlement	253.52	321.92	
	v. Credit Balance and Excess provision Written Back	7.85	0.24	
	vi. Prior Period Income	3.61	8.34	
	vii. Profit on sale of Assets	4.64	1.10	
	viii. Job Work Charges Collected	-	3.52	
	ix. Miscellaneous Receipts	0.02	0.52	
	<b>Total</b>	<b>289.78</b>	<b>379.75</b>	
27	Cost of Materials Consumed			
	Opening Stock	906.57		0.01



## Notes forming part of the financial statement as at 31st March, 2018

(Figures in ` Lakhs)

Note No.	Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
	Add : Purchases	1,957.94	4,825.02
	Less : Value of Raw materials sold	-	16.59
	Less : Closing Stock	446.33	906.57
	<b>Total</b>	<b>2,418.18</b>	<b>3,901.88</b>
<b>28</b>	<b>Changes in inventories of Stock-In-Trade:</b>		
	<b>a. Inventory at the beginning of the year</b>		
	i. Yarn	258.93	
	ii. Garments	27.75	
	iii. Stock-in-Process	188.28	
	iv. Cotton waste	7.98	
	<b>Total</b>	<b>482.93</b>	<b>794.26</b>
	<b>b. Inventory at the end of the year</b>		
	i. Yarn	34.65	
	ii. Garments	17.34	
	iii. Stock-in-Process	57.52	
	iv. Cotton waste	5.21	
	<b>Total</b>	<b>114.71</b>	<b>482.93</b>
	<b>(Increase) / Decrease in Stocks</b>	<b>368.22</b>	<b>311.33</b>
<b>29</b>	<b>Employee Benefits Expense:</b>		
	a. Salaries and incentives	595.74	812.14
	b. Contributions to Provident Fund	24.42	46.19
	c. Gratuity	35.30	15.75
	d. Contributions to Employee State Insurance	2.68	4.45
	e. Staff welfare expenses	1.74	5.56
	<b>Total</b>	<b>659.88</b>	<b>884.08</b>
<b>30</b>	<b>Finance Costs</b>		
	a. Interest on Borrowings	212.08	654.55
	b. Interest on Unsecured loans	23.50	15.61
	c. Other Borrowing costs	14.39	28.08
	<b>Total</b>	<b>249.96</b>	<b>698.24</b>
<b>31</b>	<b>Depreciation and amortisation expense:</b>		
	a. Depreciation on Property ,Plant and Equipment	242.74	219.60
	<b>Total</b>	<b>242.74</b>	<b>219.60</b>



Notes forming part of the financial statement as at 31st March, 2018

(Figures in ` Lakhs)

Note No.	Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
32	<b>Other expenses:</b>		
a.	Power and fuel	372.62	651.24
b.	Stores & spare parts consumption :		
(i)	Consumable Stores	211.12	212.96
(ii)	Packing Material Consumed	88.51	125.10
c.	Payments to the auditor as		
(i)	auditor	1.06	0.69
(ii)	for taxation matters	-	0.35
(iii)	for Certification	-	0.18
d.	Rent	5.90	21.48
e.	Repairs to : Buildings	0.99	8.51
	Machinery	14.12	44.36
	Others	8.87	21.27
f.	Job work charges	340.92	252.16
g.	Insurance	13.41	13.41
h.	Rates and taxes, excluding, taxes on income	6.13	11.45
i.	Printing and Stationery	6.89	7.72
j.	Postage, Telegrams and Telephones	12.82	17.63
k.	Travelling and Conveyance	38.56	49.65
l.	Managerial Remuneration	31.02	31.02
m.	Directors' Sitting Fees	1.03	1.06
n.	Advertisement	1.20	2.28
o.	Commission on Sales	2.10	19.62
p.	Expenses on Sales	287.47	183.38
q.	Legal & Professional Charges	6.72	10.76
r.	Vehicle Maintenance	21.32	30.86
s.	Loss on Sale of Fixed Assets	-	1.46
t.	Debit Balances Written off	0.68	0.07
u.	Miscellaneous expenses	46.00	76.84
v.	Loss on foreign currency transactions & translation	0.77	5.45
w.	Prior period items	5.06	0.42
	<b>Total</b>	<b>1,525.28</b>	<b>1,801.36</b>
33	<b>Other comprehensive income:</b>		
a.	Acturial Gain/(Losses) on Gratuity Expense	39.83	(6.35)
b.	Deferred Taxes on above	-	-
	<b>Total</b>	<b>39.83</b>	<b>(6.35)</b>
34	<b>Earnings Per Equity Share:</b>		
a.	Profit/Loss for the year attributable to equity share holders	(1,280.41)	(1,672.11)
b.	Weighted average number of equity shares of Rs. 10/-each	4,959,577	4,959,577
	<b>Earnings per equity share (Basic and Diluted) - (a) / (b)</b>	<b>(25.82)</b>	<b>(33.71)</b>



## Notes forming part of the financial statement as at 31st March, 2018

(Figures in ₹ Lakhs)

Note No.	Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>35. Retirement Benefit Obligations:</b>			
<b>A. Defined Contribution Plan (Expenses):</b>			
	Contribution to Provident Fund	24.42	46.19
	Contribution to Employee State Insurance	2.68	4.45
	Contribution to Labour Welfare Fund	0.03	-
<b>B. Defined Benefit Plans (Gratuity):</b>			
<b>1. Movement in Obligation – Gratuity:</b>			
	Present Value of Obligation at the beginning of year	107.53	87.48
	Current Service Cost	27.77	8.75
	Interest Cost	7.53	7.00
	Benefits Paid	(3.53)	(2.05)
	Actuarial (Gain)/Loss on Obligation	(39.83)	6.35
	<b>Present Value of Obligation at the end of year</b>	<b>99.47</b>	<b>107.53</b>
<b>2. Movement in Plan Assets – Gratuity:</b>			
	Fair Value of Planned assets at the beginning of the year	-	-
	Contributions during the year	2.05	3.53
	Benefits Paid during the year	(2.05)	(3.53)
	<b>Fair Value of Planned assets at the end of the year</b>	<b>-</b>	<b>-</b>
<b>3. Expenses recognised in Profit and Loss Statement:</b>			
	<b>Gratuity: -</b>		
	Current Service Cost	27.77	8.75
	Net Interest Cost	7.53	7.00
	<b>Expense for the year</b>	<b>35.30</b>	<b>15.75</b>
<b>4. Recognised in Other Comprehensive Income:</b>			
	Actuarial (Gain) /loss for the year	(39.83)	6.35



Note No.	Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
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5. Actuarial Assumptions for estimating Company's Defined Benefit Obligation:

a.	Attrition Rate		
	Age at valuation date		
	18-30 years	4.00%	5.00%
	31-40 years	2.00%	3.00%
	41 and above years	1.00%	1.00%
b.	Discount Rate	7.88%	7.00%
c.	Expected Rate of Increase in Salary	5.00%	5.50%
d.	Mortality Rate	Indian Assured Lives Mortality 2006-08 Ult.	Indian Assured Lives Mortality 2006-08 Ult.
e.	Average Remaining Working Life	20.00 years	18.00 years
f.	Decrement Adjusted Future Service	17.25 years	17.31 years

6. Sensitivity Analysis:

Defined Benefit Obligation (Base)		99.47
Sensitivity	Change	Effect on obligations
Discount Rate	+1%	89.41
	-1%	(111.24)
Salary Growth Rate	+1%	110.94
	-1%	(89.58)
Attrition Rates	+50%	101.90
	-50%	(96.78)
Mortality Rate	+10%	99.60
	-10%	(99.34)

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (projected unit credit method) has been applied as when calculating the defined benefit obligation recognised within the Balance Sheet.

7. Expected Payouts – Undiscounted:	Amount
Expected payments – 1 <sup>st</sup> year	0.39
Expected payments – 2 <sup>nd</sup> to 5 <sup>th</sup> years	22.03
Expected payments – 6 <sup>th</sup> to 10 <sup>th</sup> years	22.84
Expected payments – More than 10 <sup>th</sup> year	256.65



## 8. Other Information:

**Present value of defined benefit obligation:**

Present value of the defined benefit obligation is calculated by using Projected Unit Credit method (PUC Method). Under the PUC method a “projected accrued benefit” is calculated at the beginning of the year and again at the end of the year for each benefit that will accrue for all active members of the Plan. The “projected accrued benefit” is based on the Plan’s accrual formula and upon service as of the beginning or end of the year, but using a member’s final compensation, projected to the age at which the employee is assumed to leave active service. The Plan Liability is the actuarial present value of the “projected accrued benefits” as of the beginning of the year for active members.

- C. Compensated absences amounting to Rs. 0.33 lakhs (March 31, 2017: 5.94 lakhs) is recognised as expense and included in the Note 28 ‘Salaries, wages and bonus’.

## 36. Income tax expense and Deferred Taxes:

Note No.	Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
	<b>Income Tax Expense: -</b>		
a.	Current Tax		
	- Relating to current year	-	-
	- Relating to earlier years	-	-
b.	Deferred Tax (arising on temporary differences)	-	-
	<b>Total Tax Expense for the year</b>	-	-
	<b>Note:</b> The company has not recognised Deferred Tax Assets, due to lack of reasonable certainty that deferred taxes will be reversed in near future.		
	<b>Effective Tax Reconciliation: -</b>		
a.	Net Profit/(Loss) before taxes	(1,280.41)	(1,672.11)
b.	Tax rate applicable to the company as per normal provisions	30.90%	30.90%
c.	<b>Tax expense on net profit (c = a*b)</b>	<b>(395.65)</b>	<b>(516.68)</b>
d.	Increase/(decrease) in tax expenses on account of:		
i.	Effect of Accelerated Depreciation	(63.10)	(325.86)
ii.	Effect of expenses not deductible in determining taxable profits	34.22	19.38
iii.	Effect for deduction for expenses earlier disallowed	(1.33)	(9.31)
iii.	Other adjustments	(1.43)	0.11
	<b>Net Increase/(decrease) in tax expenses</b>	<b>(31.65)</b>	<b>(315.68)</b>
e.	<b>Income Tax Expense as reported in Statement of Profit and Loss (c + d)</b>	-	-



**Notes forming part of the financial statement as at 31st March, 2018**

(Figures in ₹ Lakhs)

**37. Fair Value of Financial Instruments:**

The management assessed that cash and cash equivalents, trade receivables, trade payables, and other current assets and liabilities approximate to their carrying amount largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is reported at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- The fair values of the quoted instruments are based on price quotations at the reporting date. The fair value of unquoted instruments are based on the Net Asset Value provided by the Management as on the date of reporting.
- Fair value of Unsecured Loans is calculated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

Description of significant observable inputs to valuation:

- Unsecured Loans:  
Interest Rate factor has been considered at a rate currently available for debt on similar terms, by the company for discounting the amount receivable at the time of maturity.

The carrying amount of all financial assets and liabilities (except for those instruments carried at fair value) appearing in the financial statements is reasonable approximation of fair values.

Particulars	Carrying Value			Fair value		
	March 31, 2018	March 31, 2017	April 01, 2016	March 31, 2018	March 31, 2017	April 01, 2016
<b>Financial Assets</b>						
<b>At Fair value through profit &amp; Loss</b>						
Investments in Equity Instruments	-	-	58.90	-	-	58.90
<b>At Amortised cost</b>						
Loans	64.46	105.65	110.29	64.46	105.65	110.29
Trade receivables	199.98	217.75	394.14	199.98	217.75	394.14
Cash and Bank Balances	18.36	124.93	42.78	18.36	124.93	42.78
Other Financial assets	2.75	1.31	119.41	2.75	1.31	119.41
<b>Total Financial Assets</b>	<b>285.54</b>	<b>449.64</b>	<b>725.52</b>	<b>285.54</b>	<b>449.64</b>	<b>725.52</b>
<b>Financial Liabilities</b>						
<b>At Amortised cost</b>						
Borrowings	4,602.96	5,096.63	5,375.67	4,583.91	5,051.29	5,308.71
Trade Payables	1,967.49	1,860.31	1,491.12	1,967.49	1,860.31	1,491.12
Other Financial liabilities	2,039.71	1,625.37	921.38	2,039.71	1,625.37	921.38
<b>Total Financial liabilities</b>	<b>8,610.15</b>	<b>8,582.31</b>	<b>7,788.16</b>	<b>8,591.10</b>	<b>8,536.97</b>	<b>7,721.20</b>



Notes forming part of the financial statement as at 31st March, 2018

(Figures in ` Lakhs)

38. Fair Value hierarchy:

The following table provide the fair value measurement hierarchy of the company's financial assets and liabilities.

Quantitative disclosures of fair value measurement hierarchy for financial instruments as at March 31, 2018:

Particulars	Fair Value measurement using			
	Total Value	Quoted prices in active markets (Level - 1)	Significant observable inputs (Level - 2)	Significant unobservable inputs (Level- 3)
<b>Financial Assets:</b>				
<b>Designated at Amortised Cost:</b>				
Loans	64.46	-	-	64.46
Trade Receivables	199.98	-	-	199.98
Cash and Bank Balances	18.36	-	-	18.36
Other Financial Assets	2.75	-	-	2.75
<b>Financial Liabilities:</b>				
<b>Designated at Amortised Cost:</b>				
Borrowings	4,583.91	-	-	4,583.91
Trade Payables	1,967.49	-	-	1,967.49
Other Financial liabilities	2,039.71	-	-	2,039.71

Quantitative disclosures of fair value measurement hierarchy for financial instruments as at March 31, 2017:

Particulars	Fair Value measurement using			
	Total Value	Quoted prices in active markets (Level - 1)	Significant observable inputs (Level - 2)	Significant unobservable inputs (Level- 3)
<b><u>Financial Assets:</u></b>				
<b>Designated at Amortised Cost:</b>				
Loans	105.65	-	-	105.65
Trade Receivables	217.75	-	-	217.75
Cash and Bank Balances	124.93	-	-	124.93
Other Financial Assets	1.31	-	-	1.31
<b><u>Financial Liabilities:</u></b>				
<b>Designated at Amortised Cost:</b>				
Borrowings	5,051.29	-	-	5,051.29
Trade Payables	1,860.31	-	-	1,860.31
Other Financial liabilities	1,625.37	-	-	1,625.37

**Notes forming part of the financial statement as at 31st March, 2018**

(Figures in ` Lakhs)

Quantitative disclosures of fair value measurement hierarchy for financial instruments as at April 01, 2016:

Particulars	Fair Value measurement using			
	Total Value	Quoted prices in active markets (Level – 1)	Significant observable inputs (Level – 2)	Significant unobservable inputs (Level- 3)
<b>Financial Assets:</b>				
<b>Designated at Fair Value through profit or loss:</b>				
Investments in unquoted Equity instruments	58.90	-	-	58.90
<b>Designated at Amortised Cost:</b>				
Loans	110.29	-	-	110.29
Trade Receivables	394.14	-	-	394.14
Cash and Bank Balances	42.78	-	-	42.78
Other Financial Assets	119.41	-	-	119.41
<b>Financial Liabilities:</b>				
<b>Designated at Amortised Cost:</b>				
Borrowings	5,308.71	-	-	5,308.71
Trade Payables	1,491.12	-	-	1,491.12
Other Financial liabilities	921.38	-	-	921.38

**39. Related Party Transactions:**

During the year under reference the Company has entered following transactions with Related Parties:

**Names of the Related parties and description of relationship:****i) Key Management Personnel**

Name of the Key Management Personnel	Description of Relationship
Sri. J. K. Agarwal	Managing Director

**ii) Relatives of Key Management Personnel**

Name of the relative of Key Management Personnel	Description of Relationship
Smt. Meenal Agarwal	Wife of Sri. J. K. Agarwal
Sri. Devansh Agarwal	Son of Sri. J. K. Agarwal

**iii) Enterprises over which the Shareholders of the Company, KMP/relatives of KMP exercise Control or significant influence:**

1. M/s. Suryavanshi Spinning Mills Limited
2. M/s. Fortune Eagle (Hk) Trading Limited



Notes forming part of the financial statement as at 31st March, 2018

(Figures in ` Lakhs)

3. M/s. Aananda Lakshmi Spinning Mills Limited
4. M/s. Suryalakshmi Cotton Mills Limited
5. M/s. Suryavanshi Industries Limited
6. M/Venkateshwara Apparels
7. M/s. Aadya Garments
8. M/s. Ishayu Garments
9. Jeetender Kumar Agarwal (HUF)

**Note:** The details of related parties with whom the company has entered into transactions during the reporting periods have been disclosed.

a) **Transactions with Enterprises over which the Shareholders of the Company, KMP/relatives of KMP exercise Control or significant influence:**

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>i) Purchase of Raw materials and spares</b>		
M/s. Fortune Eagle (Hk) Trading Limited	-	11.87
M/s. Aananda Lakshmi Spinning Mills Limited	0.98	46.12
<b>ii) Sale of Raw Material, Finished Goods and spares</b>		
M/s. Fortune Eagle (Hk) Trading Limited	2564.42	2429.40
M/s. Suryavanshi Spinning Mills Limited	-	87.42
M/s. Aananda Lakshmi Spinning Mills Limited	-	9.75
M/s. Ishayu Garments	70.85	-
<b>iii) Purchase of Machinery</b>		
M/s. Aananda Lakshmi Spinning Mills Limited	-	113.44
<b>iv) Sale of Machinery</b>		
M/s. Suryavanshi Spinning Mills Limited	-	1.79
M/s. Aananda Lakshmi Spinning Mills Limited	-	1.02
<b>v) Job Work Charges</b>		
M/s. Venkateshwara Apparels	-	22.71
M/s. Aadya Garments	326.73	-
M/s. Ishayu Garments	-	24.08
<b>vi) Unsecured loan Received (Net of Repayments)</b>		
Jeetender Kumar Agarwal (HUF)	1.24	1.08
<b>vii) Interest on Unsecured Loan</b>		
Jeetender Kumar Agarwal (HUF)	1.24	1.08
M/s. Suryalakshmi Cotton Mills Limited	2.43	2.43



## Notes forming part of the financial statement as at 31st March, 2018

(Figures in ` Lakhs)

## b) Transactions with Key Managerial Personnel

## (i) Remuneration to Key Managerial Personnel

Particulars	For the year ended March 31, 2018		For the year ended March 31, 2017	
	Short-term Benefits	Post-term Benefits	Short-term Benefits	Post-term Benefits
Sri Jeetender Kumar Agarwal Sitting Fees paid to non-executive directors	31.15	2.38	31.14	2.38

**Note:** The post-employment benefit expenses of KMPs is not included as they are based on actuarial valuation on an overall company basis.

## (ii) Unsecured loan Received (Net of Repayments)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Sri Jeetender Kumar Agarwal	11.37	26.34

## (iii) Equity portion of Unsecured loan

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Sri Jeetender Kumar Agarwal	-	3.69

## (iv) Interest on Unsecured loans

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Sri Jeetender Kumar Agarwal	12.72	10.04

## c) Transactions with relatives of Key Managerial Personnel

## (i) Employee Benefits

Particulars	For the year ended March 31, 2018		For the year ended March 31, 2017	
	Short-term Benefits	Post-term Benefits	Short-term Benefits	Post-term Benefits
Sri. Devansh Agarwal	2.74	0.20	-	-

## (ii) Rent expense

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Smt. Meenal Agarwal	-	6.75
Sri. Devansh Agarwal	-	6.75



Notes forming part of the financial statement as at 31st March, 2018

(Figures in ` Lakhs)

(iii) Unsecured loan Received (Net of Repayments)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Smt. Meenal Agarwal	(21.19)	2.68
Sri. Devansh Agarwal	(5.18)	1.81

(iv) Equity portion of Unsecured loan

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Smt. Meenal Agarwal	4.35	-
Sri. Devansh Agarwal	1.55	-

(v) Interest on Unsecured loan

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Smt. Meenal Agarwal	7.16	2.68
Sri. Devansh Agarwal	2.37	1.81

Outstanding balances at the year end

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>a. Amounts due from related parties</b>			
<b>(i) Sale of Raw material, FG and Spares</b>			
M/s. Fortune Eagle (Hk) Trading Limited	117.99	111.41	152.22
M/s. Suryavanshi Spinning Mills Limited	-	0.30	57.45
M/s. Suryavanshi Industries Limited	0.84	0.84	0.84
M/s. Aananda Lakshmi Spinning Mills Limited	-	-	5.41
M/s. Sheshadri Power and Infrastructure Limited	-	-	58.90
M/s. Fortune Eagle (Hk) Trading Limited			



Notes forming part of the financial statement as at 31st March, 2018

(Figures in ` Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>b. Amounts due to related parties</b>			
<b>(i) Purchase of Raw Material, Machinery &amp; Spares</b>			
M/s. Fortune Eagle (Hk) Trading Limited	-	3.93	-
M/s. Aananda Lakshmi Spinning Mills Limited	117.90	137.20	-
<b>(ii) Sale of of Raw Material, Finished Goods and spares</b>			
M/s. Suryavanshi Spinning Mills Ltd	8.47	-	-
<b>(iii) Job Work</b>			
M/s. Venkateshwara Apparelals	6.69	3.99	4.80
M/s. Aadya Garments	3.51	5.63	3.62
M/s. Ishayu Garments	219.96	-	-
<b>(iv) Unsecured Loan</b>			
Sri Jeetender Kumar Agarwal	99.12	87.75	61.40
Smt. Meenal Agarwal	-	21.19	18.51
Sri. Devansh Agarwal	9.19	14.37	12.55
Jeetender Kumar Agarwal (HUF)	9.82	8.57	7.49
M/s. Suryalakshmi Cotton Mills Limited	25.66	23.33	20.79
<b>(v) Equity portion of Unsecured Loan</b>			
Sri Jeetender Kumar Agarwal	30.57	30.57	26.88
Smt. Meenal Agarwal	12.29	7.94	7.94
Sri. Devansh Agarwal	6.87	5.32	5.32
Jeetender Kumar Agarwal (HUF)	3.30	3.30	3.30
<b>(vi) Rent</b>			
Smt. Meenal Agarwal	-	5.88	-
Sri. Devansh Agarwal	-	5.55	-

**40. Financial Risk Management objectives and policies:**

The company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include interest rate risk, foreign currency risk, market risk, credit risk and liquidity risk. The company's risk management policies focus on the unpredictability of financial markets and seek to, where appropriate, minimize potential and guidelines and there has been no change to the company's exposure to these financial risks or the manner in which it manages and measures the risks or the manner in which it manages and measures the risks.

The following sections provide the details regarding the Company's exposure to the financial risks associated with financial instruments held in the ordinary course of business and the objectives, policies and processes for the management of these risks.

**i. Market Risk:**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency rate risk, interest rate risk and other price risks, such as equity risk. Financial instruments affected by market risk include Borrowings, loans and advances, deposits and other equity funds.

**a. Interest rate risk:**

Interest rate risk is the risk that the fair value or future cash flows of the Company and the Company's financial instruments will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk arises primarily from the Company's long-term debt obligations, advances, security deposits and cash and cash equivalents.

The company's policy is to manage its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings

The exposure of the Company's borrowings to interest rate changes at the end of the reporting period for actual outstanding balances as at year end:

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Rupee Term Loans	3,601.40	3,530.15	3,454.18
<b>Interest rate sensitivity</b>			

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Movement in basis points	Impact on Profit after tax
<b>March 31, 2018</b>		
INR	+ 50 bps	18.01
	-50 bps	(18.01)
<b>March 31, 2017</b>		
INR	+ 50 bps	17.65
	-50 bps	(17.65)
<b>April 01, 2016</b>		
INR	+ 50 bps	17.27
	-50 bps	(17.27)





ii. **Credit risk:**

Credit risk is the risk of loss that may arise on outstanding financial instruments when a counterparty default on its obligations. The Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including investment securities, cash and short-term deposit), the Company minimizes the credit risk by dealing exclusively with high credit rating counterparties. The Company's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Company trades only with recognised and creditworthy third parties. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures.

In addition, Outstanding customer receivables are regularly monitored and any credit to new customers are generally covered by appropriate security in the form of deposits.

a. **Exposure to credit risk:**

At the end of the reporting period, the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position. No other financial assets carry a significant exposure to credit risk.

b. **Credit risk concentration profile:**

At the end of the reporting period, there were no significant concentrations of credit risk. The maximum exposures to credit risk in relation to each class of recognised financial assets is represented by the carrying amount of each financial assets as indicated in the balance sheet.

c. **Financial assets that are neither past due nor impaired:**

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment record with the Company. Cash and short-term deposits, investment securities that are neither past due nor impaired are placed with or entered with reputable banks, financial institutions or companies with high credit ratings and no history of default.

d. **Financial assets that are either past due or impaired:**

Trade receivables that are past due or impaired at the end of the reporting period, for which life time expected credit loss has been provided by the company according to its policy. These are shown in the balance sheet at carrying value less impairment/expected credit loss.

iii. **Liquidity risk:**

The risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The company ensures that it has sufficient cash on demand to meet expected operational demands, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments which are payable within 12 months.



Notes forming part of the financial statement as at 31st March, 2018

(Figures in ` Lakhs)

Particulars	Less than 12 months	1 to 3 years	More than 3 years	Total
<b>As at March 31, 2018</b>				
Borrowings	2,482.88	1,759.56	360.60	<b>4,603.04</b>
Trade Payables	1,967.49	-	-	<b>1,967.49</b>
Other Financial Liabilities	1,498.84	-	-	<b>1,498.84</b>
<b>As at March 31, 2017</b>				
Borrowings	2,414.16	1,795.85	886.62	<b>5,096.63</b>
Trade Payables	1,860.31	-	-	<b>1,860.31</b>
Other Financial Liabilities	1,222.09	-	-	<b>1,222.09</b>
<b>As at April 01, 2016</b>				
Borrowings	2,395.34	1,477.12	1,503.22	<b>5,375.67</b>
Trade Payables	1,491.12	-	-	<b>1,491.12</b>
Other Financial Liabilities	602.34	-	-	<b>602.34</b>

**41. Capital Management:**

The primary objective of the capital management is to ensure that the company maintains an efficient capital structure and healthy capital ratios in order to support its business and maximise shareholder's value. For the purpose of the Company's capital management, capital includes issued equity capital, and all other equity reserves attributable to the equity holders.

The company manages its capital structure and make adjustments to it, in light of changes in economic conditions its business requirements and the requirements of the financial covenants. The Company monitors capital using a gearing ratio, which is, debt divided by total Equity. The Company's policy is to keep the gearing ratio at an optimal level to ensure that the debt related covenants are complied with

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Total Borrowings #	6,082.75	5,926.86	5,822.41
<b>Debt</b>	<b>6,082.75</b>	<b>5,926.86</b>	<b>5,822.41</b>
Equity	495.96	495.96	495.96
Other Equity*	(2,968.51)	(1,733.83)	(59.06)
<b>Total Equity</b>	<b>(2,472.55)</b>	<b>(1,237.87)</b>	<b>436.90</b>
Debt/Equity ratio	(2.46)	(4.79)	13.33

# Total Borrowings includes Long-term and short-term borrowings, Loans from related parties, Intercompany Deposits and Cash and packing credits.

\*Other Equity includes securities premium, Surplus from statement of profit and loss, equity portion of unsecured loans.



Notes forming part of the financial statement as at 31st March, 2018

(Figures in ` Lakhs)

42. Contingencies and Commitments:

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>Contingent Liabilities</b>			
a. Against Foreign Bills Discounted	-	-	63.29
b. Demand raised by Sales Tax Department for the year 2003-04 on subjecting the turnover of unit at Madhya Pradesh to tax for not furnishing "C" Forms. The matter is pending in Appeal before the Deputy Commissioner (Appeals) Sales Tax, Bhopal, Madhya Pradesh.	2.44	2.44	2.44
c. Demand raised by Sales Tax Department for the year 2004-05 on subjecting the turnover of unit at Madhya Pradesh to tax for not furnishing "C" Forms. The matter is pending in appeal before the Deputy Commissioner (Appeals) Sales Tax, Bhopal, Madhya Pradesh.	5.20	5.20	5.20
d. The Department of Central Excise & Customs raised a Demand for payment of Interest on the duty payable on the depreciated value of plant and machinery of Rajna Unit M.P. at the time of debonding from E.O.U. unit to D.T.A unit. The company challenged the demand before the Hon'ble High Court, M.P.	20.32	20.32	20.32
e. Demand raised by Sales Tax Department for the year 2012-13 on subjecting the Entry tax on capital Goods. The matter is pending in Appeal before the Additional Commissioner of Commercial tax Appeals, Jabalpur, Madhya Pradesh.	22.48	22.48	22.48
f. Demand raised by Sales Tax Department for the year 2013-14 on subjecting the Entry tax on capital Goods. The matter is pending in Appeal before the Additional Commissioner of Commercial tax Appeals, Jabalpur, Madhya Pradesh.	1.96	1.96	1.96
g. M/s. Suryavanshi Textiles Ltd was amalgamated with Suryavanshi Spinning Mills Limited vide scheme of merger sanctioned by Board for Industrial and Financial Reconstruction (BIFR) under the provisions of Sick Industrial Companies (Special Provisions) Act, 1985 with effect from 01-04-2007. The scheme incorporates certain reliefs and concessions for consideration by income tax department including exemption from applicability of MAT u/s. 115JB of the Income Tax Act, 1961 for a period of five years from 01-04-2007. The company is pursuing the matter with the authorities concerned for the said reliefs as per the scheme of merger and liability under MAT u/s 115JB of Income Tax Act 1961 including interest as per assessment orders is Rs. 41 lacs and Rs. 443 lacs for the assessment years 2010-11 and 2011-12 respectively. In the event of the liability being crystallized, the liability shall be shared by Suryavanshi Spinning Mills Limited (Demerged Company), Aananda Lakshmi Spinning Mills Limited (Resulting Company 1) and Sheshadri Industries Limited (Resulting Company 2) equally, since the Company is demerged on 01-04-2013 (Appointed Date) as per the Scheme of Arrangement approved by Hon'ble High Court at Hyderabad. However, the relief sought by the company is pending for the decision.			
<b>Commitments</b>			
a. Estimated amount of contracts remaining to be executed on capital accounts and not provided for (net of advances)	202.96	202.96	202.96



Notes forming part of the financial statement as at 31st March, 2018

(Figures in Lakhs)

43. Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act):

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	Principal	Interest	Principal	Interest	Principal	Interest
Amount due to vendor*	77.44	-	77.44	-	35.61	-
Principal amount paid (includes unpaid) beyond appointed date	-	-	-	-	-	-
Interest due and payable for the year	-	-	-	-	-	-
Interest accrued and remaining unpaid	-	-	-	-	-	-

\*The information with regard to Micro, Small and Medium Enterprises has been determined to the extent such parties could be identified on the basis of the information available with the company. The above-mentioned amount is due to them for a period exceeding 45 days and the company has not provided any interest for the delay in payments as the company is in the process of settling the dues with the parties amicably.

44. The Company's business activity falls within a single business segment i.e. Textile products, in terms of IND AS 108 on operating segments.
45. The Company has recorded a net loss of Rs. 1280.41 Lakhs for the year ended and the accumulated losses of Rs. 3299.01 Lakhs as at 31st March 2018, resulting in complete erosion of net worth and current liabilities exceed current assets by Rs. 4228.49 Lakhs. Further, there were lower cash inflows from existing business activities. The Company has defaulted payment of dues to banks/ Financial Institutions and could not comply with the terms of sanction and /or repayment schedule of the lending institutions and banks. As the Management of the Company is of the view that Financial institutions would agree for reasonable settlement of liabilities for the rehabilitation of the company, the accompanying financial statements have been prepared on a "Going Concern " basis
46. a. The Company has not provided the interest on Working capital loans and Term loans with SBI and Andhra Bank for Rs.600.58lakhs for the financial year 2017-18
- b. The company also reversed the unpaid interest of Working capital loans and Term loans with SBI and Andhra Bank Rs.150.31 lakhs which was provided in earlier financial year 2016-17.
- c. The company has not provided the interest in delay in payment of statutory dues overdue balances of Rs.32.85lakhs as at end of the financial year 2017-18.
47. The Company could not obtain confirmation of balances as at 31st March, 2018 in respect of trade receivables and trade payables, and the Company hopes that they would be collected and paid.
48. During the year 2005-06, the company recognized an income of Rs. 361.26 lakhs being export incentive under the Target Plus Scheme in terms of the then prevailing Foreign Trade Policy. The Govt., of India, Ministry of Commerce vide their Notification No.8 (RE-2006)/ 2004-09 dated 12.06.06 retrospectively reduced the benefit of entitlement from 15% to 5% on the exports effected since 01.04.2005. The company has since received duty free credit entitlement for Rs.121.86 lakhs @ 5% and for the balance 10%, the Company has contested before the Hon'ble High Court at Mumbai for the retrospective reduction of the export incentive by the Government of India. The High Court has granted an interim stay of the notification and the matter is pending for final orders. Since the issue involved in these appeals is the same transfer petitions were filed by the union of India seeking transfer of all these cases and to be heard along with Hon'ble Supreme Court heard and held that Notification No.8/2006 MANU/ DGFT/0109/2006 dt.June,12 2006 cannot be applied retrospectively and they would be effective only from the



**Notes forming part of the financial statement as at 31st March, 2018**

(Figures in ₹ Lakhs)

dates they were issued consequently own company will be eligible target plus license of Rs.2.17 Crores. DGFT is yet to issue the detailed modalities for issue of Target plus License.

**49. First Time Adoption of Ind AS:**

The company has adopted Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs with effect from April 01, 2017, with a transition date of April 01, 2016. These financial statements for the year ended March 31, 2018 are the first financial statements the company has prepared under Ind AS.

For all periods, up to and including the year ended March 31, 2017, the company has prepared its financial statements in accordance with generally accepted accounting principles and accounting standards notified under section 133 of the Companies Act 2013 read together with paragraph 7 of the Companies (Accounts) Rules 2014 ("Previous GAAP"). This note explains the principle adjustment made by the company in restating its Previous GAAP Balance Sheet.

**Mandatory exceptions to retrospective applications:**

**i. Estimates:**

On assessment of the estimates made under the previous GAAP financial statements, the company has concluded that there is no necessity to revise the estimates under Ind AS, as there is no objective evidence of an error in those estimates.

However, estimates that were required under Ind AS but not required under previous GAAP are made by the company for the relevant reporting dates reflecting conditions existing as at that date.

**ii. De-recognition of Financial assets and liabilities:**

There are no items of financial asset and liabilities which are required to be de-recognised as per Ind AS 109.

**iii. Classification of Financial Assets:**

The company has classified financial assets in accordance with conditions that existed at the date of transition to Ind AS.

**Optional exemptions applied:**

**i. Deemed-Cost Previous GAAP carrying amount:**

For transition to Ind AS, the Company has elected to carry the values of Property Plant and Equipment, intangible assets and investment property recognized as of March 31, 2016 measured as per previous GAAP and used that carrying value as its deemed cost.

**ii. Transition to Ind As - reconciliations:**

The following reconciliations provide the explanations and quantifications of the differences arising from the transition from previous GAAP to Ind As in accordance with Ind As 101.



Reconciliation between previous GAAP and Ind As as at 31st March, 2017

Particulars	Note No.	As per Previous GAAP	Impact of Ind AS	As per Ind AS
<b>ASSETS</b>				
<b>Non-current assets</b>				
(a) Property, Plant and Equipment	1	4,677.32	(23.45)	4,653.88
(b) Capital work-in-progress		200.38	-	200.38
(c) Intangible assets		0.13	-	0.13
(d) Financial Assets				
(i) Loans		105.65	-	105.65
<b>Total Non- Current Assets</b>		<b>4,983.48</b>	<b>(23.45)</b>	<b>4,960.04</b>
<b>Current assets</b>				
(a) Inventories		1,625.05	-	1,625.05
(b) Financial Assets				
(i) Trade receivables		217.75	-	217.75
(ii) Cash and cash equivalents		9.93	-	9.93
(iii) Bank Balances other than (iii) above		115.00	-	115.00
(iv) Others financial assets		1.31	-	1.31
(c) Current Tax Asset (Net)		5.23	-	5.23
(d) Other current assets		629.05	-	629.05
<b>Total Current Assets</b>		<b>2,603.33</b>	<b>-</b>	<b>2,603.33</b>
<b>Total Assets</b>		<b>7,586.81</b>	<b>(23.45)</b>	<b>7,563.36</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Equity Share capital		495.96	-	495.96
(b) Other Equity		(1,755.73)	21.90	(1,733.83)
<b>Total Equity</b>		<b>(1,259.77)</b>	<b>21.90</b>	<b>(1,237.87)</b>
<b>Liabilities</b>				
<b>Non - current liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	1 & 2	3,508.18	(45.35)	3,462.83
(b) Provisions		115.12	-	115.12
<b>Total Non - Current Liabilities</b>		<b>3,623.30</b>	<b>(45.35)</b>	<b>3,577.95</b>
<b>Current liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings		1,588.46	-	1,588.46
(ii) Trade payables		1,860.31	-	1,860.31
(iii) Other financial liabilities		1,625.37	-	1,625.37
(c) Provisions		78.51	-	78.51
(b) Other current liabilities		70.64	-	70.64
<b>Total Current Liabilities</b>		<b>5,223.29</b>	<b>-</b>	<b>5,223.29</b>
<b>Total Equity and Liabilities</b>		<b>7,586.81</b>	<b>(23.45)</b>	<b>7,563.36</b>

**Explanatory Notes:**

- Under Ind AS, upfront fees paid on long term loans are adjusted with the loan amount and measured at amortised cost using effective interest rate. Some of the upfront fees which were capitalised were reversed from Property, Plant and Equipment and thereby the depreciation charged on upfront fees is also reversed back.
- Under Ind AS, certain financial liabilities like Loan from related parties have been recognised at fair value on initial recognition. Subsequently, those have been measured at amortised cost by using Effective Interest Method (EIR).



Reconciliation between previous GAAP and Ind As as at 1st April, 2016

Particulars	Note No.	As per Previous GAAP	Impact of Ind AS	As per Ind AS
<b>ASSETS</b>				
<b>Non-current assets</b>				
(a) Property, Plant and Equipment	1	1,172.04	(25.40)	1,146.64
(b) Capital work-in-progress		3,361.22	-	3,361.22
(c) Intangible assets		0.13	-	0.13
(d) Financial Assets				
(i) Loans		110.29	-	110.29
(ii) Investments		58.90	-	58.90
(iii) Other financial assets		115.00	-	115.00
<b>Total Non-current assets</b>		<b>4,817.58</b>	<b>(25.40)</b>	<b>4,792.18</b>
<b>Current assets</b>				
(a) Inventories		2,160.97	-	2,160.97
(b) Financial Assets				
(i) Trade receivables		394.14	-	394.14
(ii) Cash and cash equivalents		23.58	-	23.58
(iii) Bank Balances other than (ii) above		19.20	-	19.20
(iv) Others financial assets		4.41	-	4.41
(c) Current tax assets (net)		4.29	-	4.29
(d) Other current assets		875.33	-	875.33
<b>Total Current Assets</b>		<b>3,481.93</b>	<b>-</b>	<b>3,481.93</b>
<b>Total Assets</b>		<b>8,299.50</b>	<b>(25.40)</b>	<b>8,274.11</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Equity Share capital		495.96	-	495.96
(b) Other Equity		(100.62)	41.56	(59.06)
<b>Total Equity</b>		<b>395.34</b>	<b>41.56</b>	<b>436.90</b>
<b>Liabilities</b>				
<b>Non - current liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	1 & 2	3,448.50	(66.96)	3,381.54
(b) Provisions		86.27	-	86.27
<b>Total Non - Current Liabilities</b>		<b>3,534.77</b>	<b>(66.96)</b>	<b>3,467.81</b>
<b>Current liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings		1,927.34	-	1,927.34
(ii) Trade payables creditors other than micro and small enterprises		1,491.12	-	1,491.12
(iii) Other financial liabilities		921.20	-	921.20
(b) Provisions		16.40	-	16.40
(c) Other current liabilities		13.33	-	13.33
<b>Total Current Liabilities</b>		<b>4,369.39</b>	<b>-</b>	<b>4,369.39</b>
<b>Total Equity and Liabilities</b>		<b>8,299.50</b>	<b>(25.40)</b>	<b>8,274.11</b>

**Explanatory Notes:**

- Under Ind AS, upfront fees paid on long term loans are adjusted with the loan amount and measured at amortised cost using effective interest rate. Some of the upfront fees which were capitalised were reversed from Property, Plant and Equipment and thereby the depreciation charged on upfront fees is also reversed back.
- Under Ind AS, certain financial liabilities like Loan from related parties have been recognised at fair value on initial recognition. Subsequently, those have been measured at amortised cost by using Effective Interest Method (EIR).



**Reconciliation of Profit / (Loss) for the year ended March 31, 2017**

Particulars		Note No.	As per Previous GAAP	Impact of Ind AS	As per Ind AS
I.	Revenue from Operations	1	5,792.90	(28.25)	5,764.64
II.	Other Income		379.75	-	379.75
III.	<b>Total Income (I + II)</b>		<b>6,172.65</b>	<b>(28.25)</b>	<b>6,144.39</b>
IV.	Expenses				
	Cost of Materials Consumed		3,901.88	-	3,901.88
	Changes in inventories of Stock-In-Trade		311.33	-	311.33
	Employee Benefits Expense	4	890.43	(6.35)	884.08
	Finance Cost	2 & 3	673.96	24.28	698.24
	Depreciation and amortisation expense	2	220.53	(0.93)	219.60
	Other expenses	1	1,829.62	(28.25)	1,801.36
	<b>Total expenses (IV)</b>		<b>7,827.75</b>	<b>(11.25)</b>	<b>7,816.51</b>
V.	<b>Profit before tax (III - IV)</b>		<b>(1,655.11)</b>	<b>(17.01)</b>	<b>(1,672.11)</b>
VI.	Tax Expenses:				
a.	Current Tax				
i.	Relating to current period		-	-	-
b.	Deferred tax				
i.	On Temporary Differences		-	-	-
	<b>Total Tax Expenses (VI)</b>		<b>-</b>	<b>-</b>	<b>-</b>
VII.	<b>Profit for the period (V - VI)</b>		<b>(1,655.11)</b>	<b>(17.01)</b>	<b>(1,672.11)</b>
VIII.	Other Comprehensive income				
i.	Items that will not be reclassified subsequently to profit or loss	4	-	(6.35)	(6.35)
ii.	Income tax relating to items that will not be reclassified to profit or loss		-	-	-
	<b>Total Other Comprehensive Income for the period (VIII)</b>		<b>-</b>	<b>(6.35)</b>	<b>(6.35)</b>
IX.	<b>Total Comprehensive Income for The Period (VII + VIII)</b>		<b>(1,655.11)</b>	<b>(23.36)</b>	<b>(1,678.46)</b>
X.	<b>Earnings per equity share from Continuing operations:</b>				
	Basic and Diluted		<b>(33.37)</b>	<b>(0.47)</b>	<b>(34)</b>

**Explanatory Notes:**

1 Under Previous GAAP, Company followed the policy of recognizing the trade discounts, cash discounts and other discounts under the head Selling expenses. Based on the requirements of Ind AS 18, Revenue from operations is recognised at the fair value of consideration received/receivable, after deduction of any discounts, rebates, price reductions and incentives given to customers.

The change has resulted in re-classification of discount expenditure from Selling expenses to Revenue from Operations. However, there is no impact on the Total Comprehensive Income for the year ended March 31, 2017.

2 Under Ind AS, upfront fees paid on long term loans are adjusted with the loan amount and measured at amortised cost using effective interest rate. Some of the upfront fees which were capitalised were reversed from Property, Plant and Equipment and thereby the depreciation charged on upfront fees is also reversed back.





- 3 Under Ind AS, certain financial liabilities like Loan from related parties have been recognised at fair value on initial recognition. Subsequently, those have been measured at amortised cost by using Effective Interest Method (EIR).
  - 4 Under Ind AS, re-measurements of post-employment benefits i.e., actuarial gain and losses and the return on plan assets, except for amounts included in the net interest expense on the net defined liability are recognised in other comprehensive income instead of statement of profit and loss. Under the previous GAAP, these measurements were forming part of the profit or loss. However, there is no impact on the total equity as at March 31, 2017.
- 

As per our report of even date

For **K.S.Rao & Co.**  
Chartered Accountants  
Firms' Registration Number: 003109S

**M.Naga Prasadu**  
Partner  
**Membership Number:231388**

Place: Hyderabad  
Date: 30th May, 2018

For and on behalf of Board of Directors  
**Sheshadri Industries Limited**

**J.K. Agarwal**  
Managing Director & CFO

**Surender Kumar Agarwal**  
Director



**9th Annual General Meeting  
SHESHADRI INDUSTRIES LIMITED**

Registered Office: 6th Floor, Surya Towers, 105, S.P.Road, Secunderabad – 500 003

Phone: 91-40-30512700, Fax: 91-40-30512725

Website: www.sheshadri.in, Email: info@sheshadri.in

**CIN: L17291TG2009PLC064849**

PLEASE COMPLETE THE ATTENDANCE SLIP AND HAND OVER AT THE ENTRANCE OF THE MEETING HALL.

**ATTENDANCE SLIP**

I / We hereby record my / our presence at the 9th Annual General Meeting of the Sheshadri Industries Ltd held on Saturday, 29th day of September, 2018 at 10.30 A.M. at Sri GayatriGardens, Survey No. 26, Sikh Village, Near Diamond Point Hotel, Secunderabad – 500 009.

For Physical Holding	For Electronic Form (Demat) NSDL / CDSL		No. of shares
Folio No.	DP ID	CLIENT ID	
NAME OF THE MEMBER / JOINT MEMBER(S) (IN BLOCK CAPITALS):			

-----  
Signature of the member/ Joint member(s) / proxy

**8th Annual General Meeting  
SHESHADRI INDUSTRIES LIMITED**

**Registered Office:** 6th Floor, Surya Towers, 105, S.P.Road, Secunderabad – 500 003

Phone: 91-40-30512700, Fax: 91-40-30512725

Website: www.sheshadri.in, Email: info@sheshadri.in

**CIN: L17291TG2009PLC064849**

**PROXY FORM**

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

Name of the member(s)	
Registered Address	
Email 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 :  
Email ID :  
Signature : \_\_\_\_\_ or failing him
  
2. Name :  
Address :  
Email ID :  
Signature : \_\_\_\_\_ or failing him
  
3. Name :  
Address :  
Email ID :  
Signature :



as my/ our proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the Annual General Meeting of the company, to be held on Saturday, 29th day of September, 2018 at 10.30 A.M. at **Gayatri Gardens, Survey No. 26, Sikh Village, Near Diamond Point Hotel, Secunderabad – 500009** or at any adjournment thereof in respect of such resolutions as are indicated below:

Sl. No.	Particulars	FOR	AGAINST
	<b>Ordinary Business</b>		
1	To receive, consider and adopt the Audited Financial Statements for the financial year ended 31st March, 2018 and the Reports of the Directors and Auditors thereon		
2	To appoint a director in place of Sri Jeetender Kumar Agarwal, who retires by rotation and, being eligible offers himself for re-appointment		
	<b>Special Business</b>		
3	To sell, transfer, dispose of whole or substantially the whole of the undertaking under section 180 (1) (a) of companies Act, 2013		
4	To approve material related party transaction with M/s Ishayu Garments		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2018

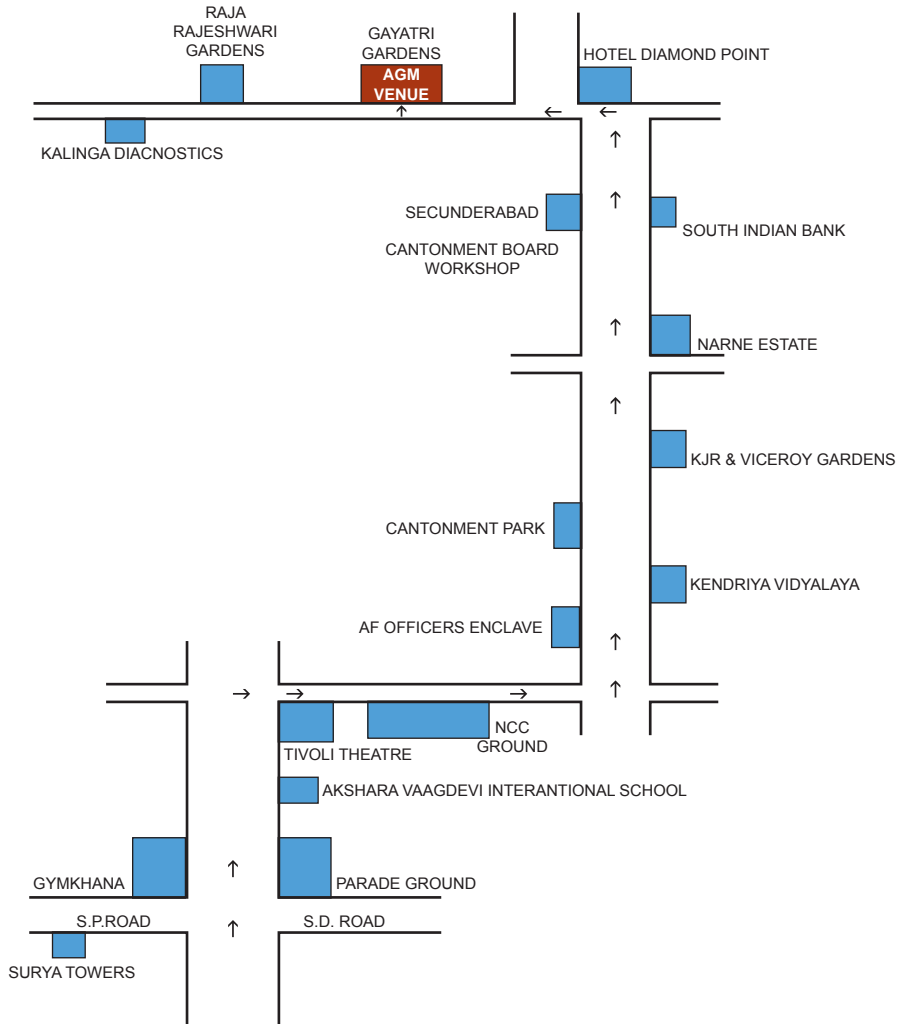
Signature of Shareholder

Signature of Proxyholder(s)

Affix  
Revenue  
Stamp

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

## ROUTE MAP TO AGM VENUE



Printed Matter

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a leading manufacturer and  
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**SHESHADRI INDUSTRIES LIMITED**

Surya Towers, 6th Floor, 105, S.P. Road,  
Secunderabad - 500 003, Telangana, India.

Phone: 91-40-30512700,

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