



SHESHADRI INDUSTRIES LIMITED

Date: 06.09.2021

To
The General Manager
Department of Corporate Services
B.S.E. Limited
1st Floor, Rotunda Building,
B.S. Marg, Fort
Mumbai – 400 001

Dear Sir,

Subject: Submission of 12th Annual Report along with the Notice of the 12th Annual General Meeting (AGM) of the Company for the Financial Year 2020-21.

Ref.: BSE Scrip Code: 539111

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Annual Report of the company for the Financial year 2020-21 along with the Notice of the 12th Annual General Meeting scheduled to be held on Thursday, 30th September, 2021 at 10.00 A.M at Incredible One Hotel, 1-2-40, 41 & 43, Park Lane, Sandhu Apartment, Kalasiguda, Secunderabad, Telangana 500003.

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

DIN: 00041946

Encl: As above.



SHESHADRI INDUSTRIES LTD.

ANNUAL REPORT
2020-21



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Important Communication to Members

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circular stating that service of notice / documents including Annual Report can be sent by e-mail to its members. To support this green initiative of Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses in respect of electronic holdings with the Depository through their concerned Depository Participants.



CORPORATE INFORMATION

BOARD OF DIRECTORS

Sri Jeetender Kumar Agarwal	Managing Director & CFO
Sri Manish Gupta	Non-Executive Independent Director
Smt Sushma Gupta	Non-Executive Independent Director
Sri Uttam Gupta	Non-Executive Independent Director

Company Secretary & Compliance Officer

Ms. Neha Jain (resigned w.e.f. 9th August, 2021)
Ms. Harshita Chandnani (w.e.f. 14th August, 2021)

Auditors

M/s. K.S.Rao & Co.
Flat No. 602, Golden Green Apartments,
Irrum Manzil Colony,
Hyderabad - 500082

Bankers

Union Bank of India (earlier Andhra Bank)

Registered Office

6th Floor, Surya Towers, 105
S.P.Road, Secunderabad-500003, Telangana
Website: www.sheshadri.in
Email: info@sheshadri.in
CIN: LI7291TG2009PLC064849
Phone: 91-40-27815135

Audit Committee

Sri Surender Kumar Agarwal (upto 28.07.2020)
Sri Manish Gupta
Sri Jeetender Kumar Agarwal
Sri Uttam Gupta (w.e.f 28.09.2020)

Stakeholders' Relationship Committee

Sri Surender Kumar Agarwal (upto 28.07.2020)
Sri Jeetender Kumar Agarwal
Sri Manish Gupta
Sri Uttam Gupta (w.e.f. 28.09.2020)

Nomination & Remuneration Committee

Sri Surender Kumar Agarwal (upto 28.07.2020)
Sri Manish Gupta
Smt Sushma Gupta
Sri Uttam Gupta (w.e.f. 28.09.2020)

Listed on BSE Limited
ISIN: INE193R01019

Scrip Code: 539111

Registrar and Share Transfer Agents

KFIN Technologies Private Limited
Selenium Tower B, Plot No 31 & 32, Gachibowli,
Financial District, Nanakramguda, Serilingampally,
Hyderabad – 500032
Tel No. 040-67162222, Fax No. 040-23420814
E-mail: einward.ris@kfintech.com
Website: www.kfintech.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 12TH ANNUAL GENERAL MEETING OF THE MEMBERS OF SHESHADRI INDUSTRIES LIMITED WILL BE HELD ON THURSDAY THE 30TH DAY OF SEPTEMBER 2021 AT 10:00 AM AT INCREDIBLE ONE HOTEL, 1-2-40, 41 & 43, PARK LANE, SANDHU APARTMENT, KALASIGUDA, SECUNDERABAD, TELANGANA 500003 TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited financial statements of the company for the financial year ended 31st March, 2021 together with the reports of the board of directors and auditors thereon.
2. To appoint a director in place of Sri Jeetender Kumar Agarwal (DIN:00041946), who retires by rotation and being eligible, offers himself for reappointment as a Director liable to retire by rotation.

SPECIAL BUSINESS

3. **Authorization to accept loan from the director of the company with an option to convert the same into fully paid-up equity shares.**

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

“**RESOLVED THAT** pursuant to the provisions of Section 62(3), Section 179(3)(d) read with the provisions of Rule 2(1)(c)(viii) of Companies (Acceptance of Deposits) Rules, 2014, and any other applicable provisions of Companies Act, 2013 read with Rules made there under (including any statutory modifications or re-enactment thereof, for the time being in force), and the provisions of SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2009 as amended from time to time (hereinafter referred to as “the Regulations”) and any other applicable guidelines/regulations issued by the Securities and Exchange Board of India (SEBI) and subject to all necessary approvals, consents, permissions and any other statutory or regulatory authorities, other applicable laws, (including any statutory modification or enactment thereof, for the time being in force), and the enabling provisions of the Memorandum and Articles of Association of the Company and the provisions of the Listing Regulations and such terms and conditions as may be determined by the Board of Directors of the Company and subject to such conditions and modifications as may be prescribed or

imposed by any of them while granting such approvals, consents, permissions or sanctions and agreed to by the Board, the consent and approval of the members of the company be and is hereby accorded to borrow from time to time, from the Directors in the form of unsecured loan any such amount upto the sum of Rs.10,00,00,000/- (Rupees Ten Crores only), as the Board in its absolute discretion may deem necessary for achieving the objects of the company, which may upon receipt of notice from the lender to that effect, be converted into fully paid-up equity shares of the company on such terms and conditions as may be agreed upon by the Directors of the company.

RESOLVED FURTHER THAT the equity shares to be allotted in terms of this resolution shall rank pari-passu with the existing equity shares of the Company in all respects and the same shall be subject to lock-in for such period that may be prescribed under the SEBI (ICDR) Regulations.

RESOLVED FURTHER THAT in accordance with the provisions of Section 62 (3) and other applicable provisions, if any, of the Companies Act, 2013, consent of the members be and is hereby accorded to the Board of Directors for conversion of such loans availed from the Directors into fully paid-up equity shares of the Company at a price as may be decided by the Board.

RESOLVED FURTHER THAT on receipt of the notice of conversion, the Board be and is hereby authorized to do all such acts, deeds and things as the Board may deem necessary and shall issue and allot the requisite number of fully paid-up Equity Shares of the Company.

RESOLVED FURTHER THAT Mr. Jeetender Kumar Agarwal, Managing Director of the Company be and is hereby authorized to do all such acts, deeds and things as may be necessary, expedient and incidental thereto to give effect to this resolution.”

4. **Approval for entering into a related party transaction with the promoters of the company.**

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

“**RESOLVED THAT** pursuant to the provisions of Section 188 and Section 180 (1) (a) of the Companies Act, 2013 and Rules made thereunder and as per the Regulation 23 of SEBI (Listing Obligations and Disclosures Requirement) Regulations, 2015 and other applicable provisions, if any, (including any statutory modification(s) or re-enactment thereof for



the time being in force), as per the recommendations and prior approval of Audit Committee in the meeting held on 14th August, 2021 the consent of the members be and is hereby accorded for entering into the related party transaction with the promoters or their relatives of the company at arm's length basis for effecting the sale of 9 acres and 2 guntas of land having survey numbers 531P, 532, 533 and 561P situated at Aliabad Village, Telangana the total value of which is Rs. 7.3 crores.

RESOLVED FURTHER THAT the Board be and is hereby authorized to enter into related party transaction with the promoters, on behalf of the Company and to finalize the terms and conditions and take such steps as may be necessary for obtaining approvals, and to complete all the formalities in

connection to such sale or transfer and to settle all the matters arising out of and incidental thereto, and to sign and execute all deeds, applications, documents and writings that may be required, on behalf of the Company, and file the required e-forms with the Registrar of Companies, Telangana and generally to do all such acts, deeds and things that may be necessary, proper and expedient or incidental for the purpose of giving effect to the above resolution.”

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

Place: Secunderabad
Date: 14.08.2021

Jeetender Kumar Agarwal
Managing Director
DIN: 00041946

NOTES:

1. An explanatory statement pursuant to Section 102 of the Companies Act, 2013 (“the Act”) relating to the Special Business to be transacted at the Annual General Meeting is annexed hereto.
2. Keeping in view the outbreak of COVID-19 (Corona Virus) pandemic, The AGM of the Company will be held at the venue in accordance with the guidelines as prescribed by the World Health Organization maintaining social distancing norms and venue being thoroughly sanitized.
3. The members are requested to wear mask all the time and carry their own stationery including pen, notepad, etc. to avoid any kind of physical contact among the members present at the meeting.
4. The register of members and share transfer books of the Company will be closed from **23.09.2021 to 30.09.2021** (both days inclusive) for the purpose of Annual General Meeting.
5. The Company’s Registrar & Share Transfer Agent is **KFIN Technologies Private Limited**, Selenium Tower B, Plot No 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500032, Tel No. 040-67162222, Fax No. 040-23420814, e-mail: einward.ris@kfintech.com, Website: <https://www.kfintech.com>
6. 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.
7. 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.

8. 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.
9. The statutory registers maintained under the Act, including register of directors and key managerial personnel and their shareholding, the register of contracts or arrangements in which directors are interested and all other documents referred to in the notice will be available for inspection in electronic mode. Members who wish to inspect such documents are requested to write to the company by sending an e-mail to secdept@suryavanshi.com.
10. 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 authorizing such representative to attend the AGM together with their respective specimen signatures authorizing their representative(s) to attend and cast their votes on their behalf. Such documents can be sent to the company at secdept@suryavanshi.com.
11. Members may note that the Notice of 12th AGM and the Annual Report for FY 2020-21, copies of audited financial statements, directors report etc., will also be available on the website of the company, <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 e mail addresses by writing to the Registrar and Transfer Agent of the company at the address M/s KFin Technologies Private Limited, Selenium Building, Tower B, Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad- 500032, Telangana.
12. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, KFIN Technologies Private Limited for assistance in this regard.
13. In compliance with the Circulars, the notice of the 12th AGM along with the Annual report for the financial year 2020-21 has been sent only through electronic mode to the members who have registered their e-mail addresses with the company/depository participants. Members may note that the notice of the 12th AGM and the annual report are also available on the company's website, <http://www.sheshadri.in>, website of the stock exchange i.e. BSE at www.bseindia.com.
14. In accordance with the Circulars, no physical copy of the notice of the 12th AGM and the annual report for the Financial Year 2020-21 has been sent to members who have not registered their e-mail addresses with the company/depository participants. The members will be entitled to a physical copy of the annual report for the Financial Year 2020-21 free of cost, upon sending a request to the company secretary at 6th Floor, Surya Towers, 105, Sardar Patel Road, Secunderabad, Telangana- 500003, India.
15. The Securities and Exchange Board of India (SEBI) vide its Circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20th April, 2018 has mandated registration of PAN and Bank Account Details for all security holders. Members holding shares in physical form are therefore, requested to submit their PAN and Bank Account details to KFIN Technologies Private Limited along with a self-attested copy of PAN Card and original cancelled cheque. The original cancelled cheque should bear the name of the Member. In the alternative Members are requested to submit a copy of bank passbook/statement attested by the bank. Members holding shares in Demat form are requested to submit the aforesaid information to their respective Depository Participant.
16. Members holding shares in the same name under different Ledger Folios are requested to apply for consolidation of such Folios and send the relevant share certificates to the RTA/Company.
17. The relevant details, pursuant to regulations 26(4) and 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements)



Regulations, 2015 ("Listing Regulations") and Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment and re-appointment or approval for payment of remuneration at this AGM are annexed to the Notice and forms part of the Explanatory Statement.

18. E-voting

- i. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository limited (NSDL) for facilitating voting through electronic means on all resolutions set forth in this Notice, as the authorized agency. The members may cast their votes using an electronic voting system from a place other the venue of the meeting ('remote e-voting').
- ii. 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.
- iii. A Member can opt for only single mode of voting i.e., either through e-voting or by Ballot Form. If a Member cast 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.
- iv. The Board of Directors of the Company has appointed Smt. Rashida Adenwala, Practicing 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.

- v. 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., **22nd September, 2021**.
- vi. 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., **22nd September, 2021** only shall be entitled to avail the facility of remote e-voting as well as voting at AGM through ballot form.
- vii. 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. **22nd September, 2021**, may obtain the User ID and password by writing to National Securities Depository Limited at evoting@nsdl.co.in or secdept@suryavanshi.com. However, if the person is already registered with NSDL for remote e-voting then the existing user ID and password can be used for casting vote.
- viii. The scrutinizer, after scrutinizing 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 <http://www.sheshadri.in> and on the website of national Securities Depository Limited evoting@nsdl.co.in. The results shall simultaneously be communicated to BSE Limited.
- ix. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e., 30th September, 2021.
- x. **THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:**

The remote e-voting period begins on 26th September, 2021 at 09:00 A.M. and ends on 29th September, 2021 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e., 22nd September, 2021 may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 22nd September, 2021.



How do I vote electronically using NSDL e-Voting system?





The way to vote electronically on NSDL e-Voting system is mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsd.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e., NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e., your sixteen-digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e., NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience. <p style="text-align: center;">NSDL Mobile App is available on</p> <div style="display: flex; justify-content: center; gap: 20px;">   </div> <div style="display: flex; justify-content: center; gap: 20px; margin-top: 10px;">   </div>



<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e., NSDL. Click on NSDL to cast your vote. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e., NSDL where the e-Voting is in progress.
<p>Individual Shareholders (holding securities in demat mode) login through their depository participants</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e., NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.</p>

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
<p>Individual Shareholders holding securities in demat mode with NSDL</p>	<p>Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30</p>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<p>Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43</p>

B) Login Method for e-Voting for other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/ Member’ section.
- A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e., IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e., Cast your vote electronically.



4. Your User ID details are given below:

Manner of holding shares i.e., Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example, if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example, if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example, if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e., a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8-digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- a) Click on "**Forgot User Details/Password?**"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
- b) **Physical User Reset Password?**" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
- c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, home page of e-Voting will open.

General Guidelines for shareholders

- 1. 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. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to_rashida@rna-cs.com with a copy marked to evoting@nsdl.co.in.
- 2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the



correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to secdept@suryavanshi.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16-digit DPID + CLID or 16-digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to secdept@suryavanshi.com. If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at **step I (A) i.e., Login method for e-Voting for Individual shareholders holding securities in demat mode.**
3. Alternatively, shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

Instructions and other information relating to Ballot Form:

- (i) A member desiring to exercise voting by using Ballot Form shall complete the enclosed Ballot Form with assent (FOR) or dissent (AGAINST) and send it to the Scrutinizer, Smt. Rashida Adenwala, Practising

Company Secretary, Partner at R&A Associates, Hyderabad, duly appointed by the Board of Directors of the Company, to the given address Office No. T 202, Technopolis, 1-10-74/B, Above Ratnadeep Super Market, Chikoti Gardens, Begumpet, Hyderabad, Telangana 500016. Ballot Forms deposited in person or sent by post or courier at the expense of the member will also be accepted at the Registered Office of the Company.

- (ii) Please convey your assent in Column “FOR” or dissent in the column “AGAINST” by placing a tick (“”) mark in the appropriate column in the Ballot Form only. The assent / dissent received in any other form / manner will not be considered.
 - (iii) Duly completed and signed Ballot Forms shall reach the Scrutinizer on or before 29th September 2021 (5.00 PM. IST). The Ballot Forms received after the said date /time shall be strictly treated as if the reply from the Member has not been received. Alternatively, the members may cast their votes by ballot at the venue during the proceedings of Annual General Meeting
 - (iv) Unsigned/incomplete Ballot Forms will be rejected. Scrutinizer’s decision on validity of the Ballot Form shall be final.
 - (v) A member may request duplicate Ballot Form, if so required, by writing to the Company at its Registered Office or by sending an email on secdept@suryavanshi.com by mentioning their Folio No. / DP ID and Client ID. However, the duly filled in duplicate Ballot Form should reach the scrutinizer not later than 29th September 2021 (5.00 P.M. IST). Alternatively the shareholders may also exercise their right to votes at the AGM of the company.
19. In case of joint holders, the vote of such joint holder who is higher in the order of names shall be accepted to the exclusion of the votes of other joint holders.
 20. In terms of section 72 of the Act read with the applicable rules made under the Act, every holder of shares in the company may at any time nominate, in the prescribed manner (Form No. SH-13), a person to whom his/her shares in the company shall vest, in the event of his/her death. Nomination Form can be obtained from the R & TA. The duly filled in Nomination Form shall be sent to R & TA at the above mentioned address by the members holding shares in physical mode. Members holding shares electronic form may contact their respective depository participants for availing this facility.



21. Members/proxies/Authorized representatives should bring their soft/hard copy of the Annual Report and Attendance Slip and sent herein for attending the Meeting. Proxy or Authorized representatives of members should state on the Attendance Slip as 'Proxy' or 'Authorized Representative', as the case may be. Further, those who hold shares in demat form are requested to write their client Id and DP Id and those who hold shares in physical forms are requested to write their Folio number on the Attendance Slip for easy identification at the meeting.
22. A route map showing directions to reach the venue of the 12th AGM is given at the end of the Notice.

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

Jeetender Kumar Agarwal
Managing Director
DIN: 00041946

Place: Secunderabad
Date: 14.08.2021

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

ITEM NO. 3

The company has accepted and entered into a One Time Settlement Scheme with Andhra bank the payment of which is due and to be made during the year. The company, in order to raise funds for making the payment to banks, in its meeting held on 14th August, 2021, decided to borrow any such amount from time to time, upto the sum of Rs. 10 crores, as unsecured loans from the Directors of the company, on such terms and conditions, as may be determined by the Board of directors, which may be converted into the fully paid equity shares of the company at any time in future, as the Board may deem fit.

The price at which the shares are to be offered shall be determined in terms of provisions of the SEBI (ICDR) Regulations, 2009 and the shares shall rank pari-passu with the existing equity shares of the company.

In terms of Section 62 of the Companies Act, 2013 and Rules made there under (the "Act"), and the provisions of SEBI (ICDR) Regulations, 2009, the company, needs to obtain prior approval of the shareholders of to accept loans that may be converted into share capital of the company.

The Board therefore, recommends that the above resolution be passed by way of Special resolution.

None of the Directors and/or KMP or their relatives is interested or concerned in the proposed resolution, except in the ordinary course of business and to the extent of their shareholding.

ITEM NO. 4

Pursuant to the provisions of Section 188 of the Companies Act, 2013, the Companies (Meeting of Board and its Powers) Rules, 2014, the Related Party Transactions as mentioned in clause (a) to (g) of the said section require a Company to obtain approval of the Board of Directors and subsequently the Shareholders of the Company by way of resolution in case the value of the Related Party Transactions exceeds the stipulated thresholds prescribed in Rule 15 of the said Rules and transactions other than in ordinary course of business and on arm's length basis.

As per regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015, ("SEBI LODR") also requires that all material related party transactions shall require approval of the shareholders through special resolution.

Accordingly, on recommendation of Audit Committee and Meeting of the Board of Directors held on 14th August, 2021, approved related party transactions and now seek approval of the shareholders by way of Special Resolution under section 188 of the Companies Act, 2013 the Companies (Meeting of Board and its Powers) Rules, 2014 and SEBI (LODR) Regulations, 2015 to enable the Company to enter into following related Party Transactions in one or more tranches. The transactions under consideration, is proposed to be entered into by the Company with the promoters of the Company is in the ordinary course of business and at arm length basis.



Following disclosure is provided with respect to the transactions:

S.No.	PARTICULARS	DETAILS
1	Name of the Related Party & Nature of Relationship	Devansh Agarwal, Aanchal Agarwal, Meenal Agarwal, etc Promoters and their Relatives
2	Nature, Duration of the contract and particulars of the contract or arrangement	Sale of land 36 Months
3	Material terms of the contract or arrangement including the value, if any	Nil
4	Any advance paid or received for the contract or arrangement, if any	Nil
5	The manner of determining the pricing and other commercial terms, both included as part of contract and not considered as part of the contract	Price or value of land is determined according to the report obtained from the Registered valuer and 100% of the consideration shall be paid at the time of entering into transaction
6	Whether all factors relevant to the contract have been considered, if not, the details of factors not considered with the rationale for not considering those factors	Yes, all relevant factors have been considered
7	Any other information relevant or important for the Board to take a decision on the proposed transaction	The company has entered into a One Time Settlement scheme and for the payment of the same; the company has decided to enter into the proposed transaction with the promoters.

Except Shri. Jeetender Kumar Agarwal none of the Directors and/or KMP or their relatives is interested or concerned, financially or otherwise in the resolution set out in item no. 4.

The Board therefore, recommends that the above resolution be passed by way of Special resolution.



DIRECTORS' REPORT

To,

The Members,

SHESHADRI INDUSTRIES LIMITED

We have pleasure in presenting the 12th Director Report on the business and operations of Company and Financial Results for the year ended 31st March, 2021.

1. STATE OF AFFAIRS & FINANCIAL PERFORMANCE

Rs. In lakhs

	2020-2021	2019-2020
Turnover Revenue	3211.16	1383.01
Gross Profit before financial charges & depreciation	425.98	(256.26)
Less: Depreciation	210.84	236.45
Financial charges	323.41	418.79
Exceptional items	50.51	736.14
Profit / (Loss) before taxation	(108.27)	(911.50)
Tax expenses	117.32	-
Profit / (Loss) after taxation	(175.09)	(175.36)

2. OPERATIONS

During the year under review the company achieved total turnover of Rs. 3211.16 Lakhs which is higher than that of the previous year. The operations in the year have ended in a loss of Rs. 175.09 Lakhs as against loss of Rs. 175.36 lakhs in previous year. The Company's operations have been affected due to COVID-19 pandemic and insufficient working capital funds.

The company started operations of its Spinning & Knitting divisions at its units situated at Rajna, Pandhurna, Chindwara, Madhya Pradesh – 480 340, and its Garments divisions at its units situated at Aliabad, Shamirpet Mandal, Medchal district w.e.f 01st December 2020..

3. CHANGE IN THE NATURE OF BUSINESS, IF ANY:

There was no change in nature of business activity during the year.

4. CHANGE IN SHARE CAPITAL

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

5. REVISION OF ANNUAL FINANCIAL STATEMENTS

There was no case of revision in financial statement during the year.

6. RESERVES

Your Directors do not propose to carry any amount to General Reserve Account as the Company has incurred losses during the financial year.

7. DIVIDEND

In view of losses incurred by the Company during the year under review, and having regard to its financial position, the Board does not recommend any dividend for the year ended 31st March, 2021.

8. FUTURE OUTLOOK

The Company future outlook is challenging in future in view of change in operations and shortage of working capital funds.

9. MATERIAL CHANGES AND COMMITMENTS AFTER THE END OF FINANCIAL YEAR

There were no material changes and commitments in the company after the end of the financial year.



10. 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.

11. 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 –IV**.

12. LISTING AT STOCK EXCHANGE

The Equity shares of the Company are listed on Bombay Stock Exchange Limited, Mumbai.

13. 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.

14. DEPOSITORY SYSTEM

Your Company's shares are tradable compulsorily in electronic form and your Company has connectivity with both the Depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Service (India) Limited (CDSL). As per the SEBI (Listing Obligations & Disclosure Requirements) (Fourth Amendment) Regulations, 2018, vide Gazette notification dated June 8, 2018 & 30th November, 2018 mandated that Share transfer shall be mandatorily carried out in dematerialized form only w.e.f. from April 1, 2019. In view of the numerous advantages offered by the Depository System, members are requested to avail the facility of Dematerialization of the Company's shares on either of the Depositories mentioned as aforesaid.

15. DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. RETIREMENT BY ROTATION

Pursuant provision of Section 152 of the Companies Act, 2013, Sri Jeetender Kumar Agarwal (DIN 00041946.), Director will retire

at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The Board recommends his re-appointment.

B. APPOINTMENT

- Pursuant to section 149 of Companies Act, 2013, Smt. Sushma Gupta was re-appointed as an Independent director of the company to hold the office for the second term of 5 consecutive years in the previous Annual general meeting of the company held on December 2, 2020.
- Pursuant to section 149 of Companies Act, 2013, Shri Manish Gupta was appointed as an Independent director of the company to hold the office for the term of 5 consecutive years in the previous Annual general meeting of the company held on December 2, 2020.
- Pursuant to section 149 of Companies Act, 2013, Shri Uttam Gupta was appointed as an Independent director of the company to hold the office for the term of 5 consecutive years in the previous Annual general meeting of the company held on December 2, 2020.

C. RESIGNATION:

Mr. Surender Kumar Agarwal resigned from the post of Additional Director under the category of Independent Director of the company w.e.f. July 28, 2020.

D. 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.

E. DECLARATION BY INDEPENDENT DIRECTORS

All Independent Directors of your Company have given a declaration pursuant to Section 149(7) of the Companies Act, 2013 and Regulation 25(8) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 affirming compliance to the criteria of Independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Based on the declaration(s) of Independent Directors, the Board of Directors recorded its opinion that all Independent Directors are independent of the Management and have fulfilled the conditions as specified in the Companies Act, 2013 and the Rules made there under.

Independent Directors are not liable to retire by rotation, in terms of Section 149(13) of the Act.

F. 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 details of such program are available on the Company's website (www.sheshadri.in)

G. KEY MANAGERIAL PERSONNEL:

Pursuant to the Section 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The Key Managerial Personnel of the Company as on March 31, 2021 are:

- Mr. Jeetender Kumar Agarwal, Managing Director & Chief Financial Officer
- Ms. Neha Jain, Company Secretary & Compliance Officer

H. DISQUALIFICATIONS OF DIRECTORS

During the year declarations have been received from the Directors of the Company pursuant to Section 164 of the Companies Act, 2013. The Board appraised the same and found that none of the director is disqualified for holding office as director.

16. BOARD AND THEIR COMMITTEES

I. BOARD OF DIRECTORS

a) Composition and provisions as to Board and Committees:

As on 31st March 2021, 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 12.08.2020, 15.09.2020, 28.09.2020, 13.11.2020, and 13.02.2021.

*(*Resignation of Sri Surender Kumar Agarwal from Independent Director post w.e.f. 28.07.2020 and Appointment of Sri Uttam Gupta as an Additional Independent Director in the Company's Board of Directors w.e.f. 28.09.2020)*

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) upto 28.07.2020, Sri Manish Gupta, Sri Jeetender Kumar Agarwal and Sri Uttam Gupta w.e.f 28.09.2020 as other members. All the recommendations made by the Audit Committee were accepted by the Board.

During the financial year ended March 31, 2021 – The Audit Committee met 4 (Four) times on 12.08.2020, 15.09.2020, 13.11.2020 and 13.02.2020.

*(*Mr. Surender Kumar Agarwal resigned & ceased to be member of the committee w.e.f. 28.07.2020 and Mr. Uttam Gupta appointed as an Additional Independent Director and member of the Audit Committee w.e.f. 28.09.2020.)*

3. NOMINATION & REMUNERATION COMMITTEE

The Nomination & Remuneration Committee comprises of Sri Surender Kumar Agarwal (Chairman) upto 28.07.2020, Sri Manish Gupta, Smt. Sushma Gupta and Sri. Uttam Gupta w.e.f. 28.09.2020 as other members. All the recommendations made by the Nomination & Remuneration Committee were accepted by the Board.

During the financial year ended March 31, 2021, the Nomination and Remuneration Committee met twice on 15.09.2020 and 28.09.2020. *(*Mr. Surender Kumar Agarwal resigned & ceased to be member of the committee w.e.f. 28.07.2020 and Mr. Uttam Gupta appointed as an Additional Independent Director and member of the Nomination and Remuneration Committee w.e.f. 28.09.2020.)*

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.

The Stakeholders Relationship Committee comprises of Sri. Surender Kumar Agarwal upto 28.07.2020, Sri. Jeetender Kumar Agarwal, Sri. Manish Gupta and Sri. Uttam Gupta w.e.f 28.09.2020.

Sri Surender Kumar Agarwal (Chairman)

was the Non-Executive Director heading the Committee.

During the financial year ended 31st March, 2021, the stakeholders Relationship Committee met twice on 12.08.2020 and 15.09.2020.

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

1	No. of Complaints pending at the beginning of the year	NIL
2	No. of Complaints received during the Year	NIL
3	Number not solved to the satisfaction of shareholders	NIL
4	Number of pending complaints	NIL

*(*Mr. Surender Kumar Agarwal resigned & ceased to be member of the committee w.e.f 28.07.2020 and Mr. Uttam Gupta appointed as an Additional Independent Director and member of the Stakeholders Relationship Committee w.e.f. 28.09.2020.)*

5. SEPARATE MEETING OF INDEPENDENT DIRECTOR:

During the year under review, a separate meeting of Independent Directors was held on 13.02.2021.

17. NOMINATION AND REMUNERATION POLICY

The Board on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration as required under Sec 178 of the Companies Act, 2013 and Regulation 19(4) read with Schedule II of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015

18. OTHER MANAGEMENT POLICES

The following policies are placed in company's website at <http://www.sheshadri.in>

- Policy for determination of materiality
- Policy on code of conduct
- Policy on Code of Fair disclosure
- RPT Policy

19. 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 29th September 2017 for a period of 5 years until the conclusion of 13th AGM.

The Company has received a certificate from the auditors confirming that their appointment is in accordance with Section 139 read with Section 141 of the Act.

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 12th AGM.

Explanation to Auditor's Remark

Following are the replies / clarifications in respect of the observations made by the statutory auditor in their audit report.

- The management would like to clarify that the cotton trading activity was done by purchasing cotton when the cotton prices were lowest due to pandemic by purchasing from a cotton trader against a confirmed contract of Cotton Corporation of India with extended delivery terms. Subsequently, when the cotton prices increased, the cotton was sold to the same group who has cotton spinning mills in India. The transactions were bonafide on part of all the entities involved.
- The management is of the considered opinion that the interest provided towards dues payable to Union Bank of India towards One time Settlement scheme or compromise proposal which the company has entered with Union Bank of India, due to COVID-19 the company could not make 100% payment on or before 31.03.2020. The company has already made a representation to the bank for extending the period of One Time Settlement. The company has provided interest of Rs. 157.97 Lakhs upto 31.03.2021. The company has not provided interest of Rs.679.51 Lakhs towards interest on outstanding loans since the account become NPA. The management is confident that the compromise proposal/ one time Settlement entered with Union Bank of

India would be amicably completed..

- During the year, due to COVID-19 restrictions, the company was working with limited staff and on work from home policy. Thus we were unable to get the records in the books of accounts. Management would like to assure you that they have periodically carried out the verification of records and reconciled the books on timely basis.

Reporting of fraud by Statutory Auditors

There was no fraud in the Company, which was required to be reported by statutory auditors of the Company under sub-section (12) of section 143 of Companies Act, 2013.

B. SECRETARIAL AUDITOR

During the year, the Company has appointed M/s Yellapragada and Associates, Practicing Company Secretaries as Secretarial Auditor in compliance with the provision of Section 204 of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, The Secretarial Audit report in form MR-3 for the financial year ended 31st March 2021 is annexed herewith as **Annexure I** to this Report. The Secretarial Audit Report does not contain any qualification or adverse remark.

C. INTERNAL AUDITOR

In compliance with the provisions of Section 138 of the Act read with Rule 13(1)(a) of Companies (Accounts) Rules, 2014. The Board of Directors of the Company has appointed M/s. SLR & Associates, Chartered Accountant as Internal Auditors to conduct Internal Audit of the Company for the Financial Year ended 31st March 2021.

20. 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:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;



- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the 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.

21. 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 35 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 are enclosed to this report in **Annexure III**.

22. 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.

23. INTERNAL FINANCIAL CONTROLS

The Company has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the 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.

The Company has in place adequate internal financial controls with reference to financial statements. The Company's internal control systems, including internal financial controls, are commensurate with the nature of its business and the size and complexity of its operations and the same are adequate and operating effectively. These systems are periodically tested and no reportable material weakness in the design or operation was observed. The Audit Committee reviews adequacy and effectiveness of the Company's internal control system including internal financial controls.

24. 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.

25. 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.

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

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

27. DISCLOSURES:

A. ANNUAL RETURN

Annual Return of the Company as on 31st March, 2021 in accordance with Section 92(3), Section 134(3)(a) of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, can be accessed from <http://www.sheshadri.in/financials>.

B. Vigil Mechanism

The Company has a 'Whistle Blower Policy'/'Vigil Mechanism' in place. The objective of the Vigil Mechanism is to provide the employees, Directors, customers, contractors and other stakeholders of the Company an impartial and fair avenue to raise concerns and seek their redressal, in line with the Company's commitment to the highest possible standards of ethical, moral and legal business conduct and fair dealings with all its stakeholders and constituents and its commitment to open communication channels. The Company is also committed to provide requisite safeguards for the protection of the persons who raise such concerns from reprisals or victimization, for whistle blowing in good faith. The Board of Directors affirms and confirms that no personnel have been denied access to the Audit Committee. The Policy contains the provision for direct access to the Chairman of the Audit Committee in appropriate or exceptional cases..

The Policy on vigil mechanism cum Whistle Blower may be accessed on the Company's website at the link: <http://www.sheshadri.in> there were no complaints received during the year 2020-21

C. Risk Management

The Company recognizes that risk is an integral and unavoidable component of business and is committed to managing the risk in a proactive and efficient manner. The Company as part of business strategy has in place a mechanism to identify, assess, monitor risks and mitigate various risks with timely action.

28. COMPLIANCE OF SECRETARIAL STANDARD

The Company has complied with all the applicable Secretarial Standards issued by The Institute of Company Secretaries of India and notified by the Central Government

29. 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. During the year under review the Company has not given loan to any employee for purchase of its own shares as per section 67(3) (c) of Companies Act, 2013.
- e. The Company has not issued shares under employee's stock options scheme pursuant to provisions of Section 62 read with Rule 12 of Companies (Share Capital and Debenture) Rules, 2014.
- f. The Company has not issued sweat equity shares pursuant to provisions of Section 54 read with Rule 8 of Companies (Share Capital and Debenture) Rules, 2014 & SEBI (issue of sweat equity) Regulations, 2002 during the Financial Year.
- g. The Business Responsibility Reporting as required by Regulation 34(2) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, is not applicable to your Company for the financial year ending March 31, 2021.



- h. 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.
- i. Details in respect of frauds reported by the Auditors under section 143(12) other than those which are reportable to the Central Government, as there were no such frauds reported by the Auditors.

30. ACKNOWLEDGEMENTS:

The Board of Directors is pleased to place on record their appreciation of the co-operation and support extended by All 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
DIN: 00041946

Manish Gupta
Director
DIN: 00526638

Place: Secunderabad
Date: **14.08.2021**



ANNEXURE: I

FORM NO.MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021

[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
CIN: L17291TG2009PLC064849
Registered office
Add: 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 **SHESHADRI INDUSTRIES LIMITED** (herein after called the "Company"). Secretarial audit was conducted in a manner that provided me 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 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 31st March, 2021 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 (records were verified in electronic form due to situation of "COVID-19") for the financial year ended on 31st March, 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under as amended from time to time;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') as amended from time to time:-

- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; -- **(Not Applicable to the company during audit period)**
- d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; -- **(Not Applicable to the company during audit period)**
- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; -- **(Not Applicable to the company during audit period)**
- f. 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;
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; -- **(Not Applicable to the company during audit period)**
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; -- **(Not Applicable to the company during audit period)**
- i. The Securities and Exchange Board of India (Listing Obligation & Disclosure Requirements) Regulations, 2015.

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 applicable provisions of the Act, Rules, Regulations, Guidelines, Standards, etc., mentioned above.

We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis:

The management has identified and confirmed the following laws as being specifically applicable and based on representation of the Management the said law are duly complied:

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

We further report that,

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors & Woman Directors. During the period under review, there is a change in the composition of the Board of Directors and change in the composition of Board Committees which is in compliance with the provisions of the applicable laws.
2. Adequate notice is given to all 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 in the meeting.
3. During the period under review, there were few delays in intimation of information/report/certificate to Stock Exchange, and management represented that the said delay in filings was due to COVID-19 pandemic.

4. Majority decision is carried through while the dissenting members' views are captured and recorded as the part of the minutes
5. As per the information given by the management that their company has defaulted in payments of undisputed statutory dues at March 31, 2021 which includes Provident Fund, Employees 'State Insurance', Income-Tax, Sales-tax, and Value added tax.
6. We further report that based on our limited review of the compliance mechanism established by the Company, there appear adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines
7. There was no instance of Demerger/ Restructuring/ Scheme of Arrangement
8. The Company has not altered MoA and AoA
9. We further report that, our Audit was subjected only to verifying adequacy of systems and procedures that are in place for ensuring proper compliances on the part of the Company.

We hereby state that due to present scenario of "COVID 19", the audit was done on the basis of information provided by the Company in electronic mode. We were unable to conduct actual physical examination of documents and reports filed by the Company with respect to the compliances applicable.

For Yellapragada & Associates
Practicing Company Secretaries

Cs Eshwar Sharma Yellapragada
Proprietor
M.No 37135, C P No. 19122
UDIN:F011147C000787450

Date: 14.08.2021
Place: Hyderabad.



ANNEXURE-A TO SECRETARIAL AUDIT REPORT

To
The Members,
SHESHADRI INDUSTRIES LIMITED
CIN: L17291TG2009PLC064849
Registered office
Add: 105, Sardar Patel Road,
Secunderabad-500003
Telangana, India

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

1. Maintenance of Secretarial record is the responsibility of management of 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 that were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on a 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. Whenever required, we have obtained Management representation about the compliance of laws, rules and regulations and happenings of events etc. We have also verified the applicable provisions of IEPF which is compiled by the Company.
5. The Compliance of the provisions of Corporate and other applicable laws, rules and regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management conducted the affairs of the Company. We hereby state that due to present scenario of "COVID 19", the audit was done on the basis of information provided by the Company in electronic mode. We were unable to conduct actual physical examination of documents and reports filed by the Company with respect to compliances applicable.

For Yellapragada & Associates
Practicing Company Secretaries

Cs Eshwar Sharma Yellapragada
Proprietor
M.No 37135, C P No. 19122
UDIN:F011147C000787450

Date: 14.08.2021
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

i)	Foreign Exchange Earned:	2020-2021	2019-2020
	FOB value of exports	-	-
	CIF value of exports	-	-
ii)	Foreign Exchange used:	-	-
	Foreign Travel Expenses	-	4.39
	Spare parts	-	-



ANNEXURE - III

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

I. Details of contracts or arrangements or transactions not at arm's length basis:

Name of the related party and nature	Nature of contract/ Arrangement/ transactions	Duration of the contract/ arrangement/ transaction	Salient terms of the contract or arrangement or transaction including the value, if any	Justification for entering into such contract or arrangement or transaction	Date(s) of approval by the Board	Amount paid as advance, if any	Date on which the special resolution was passed
NIL							

2. Details of contracts or arrangements or transactions at arm's length basis:

Name(s) of the related party and nature of relationship	Nature of contract/ arrangement/ transactions	Duration of the Transactions	Transaction Value (in Rs.)	Date(s) of approval by the Board, if any	Amount paid as advances, if any
Aananda Lakshmi Spinning Mills Limited Enterprises over which Key Managerial personnel have Significant Influence	Stores and Spares	Ongoing	1,150,500 (Cr.)	--	NIL
Ishayu Garments Enterprises over which Key Managerial personnel have Significant Influence	Job work	Ongoing	105,084,284 (Dr.) 54,725,890 (Cr.)	--	NIL
Devshree International Private Ltd Enterprises over which Key Managerial personnel have Significant Influence	Reimbursement of expenses	Ongoing	20,511,429 (Dr.) 21,432,031 (Cr.)	--	NIL
J K Agarwal Managing Director	Reimbursement of expenses	Ongoing	511,000 (Dr.) 385,245 (Cr.)	--	NIL
Suryavanshi Spinning Mills Limited Enterprises over which Key Managerial personnel have Significant Influence	Reimbursement of expenses	Ongoing	40,492 (Dr.) 1,054,275 (Cr.)	--	NIL
Innovative Interiors Enterprises over which Key Managerial personnel have Significant Influence	Reimbursement of expenses	Ongoing	3,802,371 (Dr.) 3,323,679 (Cr.)	--	NIL
Aananda Lakshmi Spinning Mills Limited Enterprises over which Key Managerial personnel have Significant Influence	Waste Cotton sales	Ongoing	2,865,328 (Dr.) 4,500,000 (Cr.)	--	NIL

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

Jeetender Kumar Agarwal
Managing Director
DIN: 00041946

Place: Secunderabad
Date: 14.08.2021



MANAGEMENT DISCUSSION ANALYSIS FORMING PART OF THE ANNUAL REPORT

I. INDUSTRY STRUCTURE, DEVELOPMENT AND PRODUCT WISE PERFORMANCE

The Global Economy faced several challenges last year ranging from slackness in demand, trade dispute between U.S.A and China and other Geo Political uncertainty which slowdown the Global trade. The outbreak of COVID-19, a global pandemic further impacted the economic and social activity all over the world and has changed the global growth outlook in the year ahead. The advance economies like U.S.A. and Europe etc., has shown a moderate growth. In major emerging economies too, the economic activity remained weak due to slackness in global demand.

In India too, the economic implications of the COVID-19 pandemic have been far reaching and has caused significant disturbance and slowdown of economic activity. To control the pandemic and its economic effect, the government and the policy makers acted promptly and imposed lockdown restrictions from 23 March, 2020 to st 31 May, 2020. The restrictions forced the industry to temporarily suspend their operations. The Government has taken steps to meet the challenges caused by the COVID-19 pandemic. It is expected that the policies measures taken by the Government will definitely provide the much needed support to the Indian economy.

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 market contracted by 30% in the Financial Year ended March, 2021 and India's export decreased by around 15%. Though 2020-21 was a difficult year for the company and economy as a whole, but it taught us to think out of the box and conduct business in a different manner. On a positive note, the lockdown restrictions have been lifted in major parts of the world and this has made way for the business activities to be resumed and the market conditions to stabilize to a certain extent.

The company's production, supply and sales have suffered due to COVID-19 but since the markets opened up and work was resumed, the company has tried to recover the losses incurred and increase the productivity to an optimum level to decrease the costs. The overall performance of the company as compared to previous year has been better, keeping in mind the impact of COVID-19 on the economy.

2. INDIAN TEXTILE INDUSTRY

Indian Textile & Garment industry is one of the largest and one of the age old industry in the world. Till date, textiles sector is one of the largest contributors to India's exports and being a labour intensive industry it is one of the largest employers. Most of the processing units in India are independent units, with some being integrated with spinning, weaving or knitting units.

With the modernization of the industry substantial capacity expansion has taken place in the textile sector. Industry has gone through rising raw material cost, scarcity of power, labour, market fluctuation and fluctuation in currency rates etc

India is the second largest textile exporter and the fifth largest in apparel exports globally, with a share of 6% and 4% respectively. The domestic textile industry was expected to reach \$223 billion by 2021. Exports contributes major revenue to the exchequer and is expected to increase to \$300 billion by 2024-25 resulting in tripling the Indian market share from 5% to 15% and create an additional 35 million jobs by 2022, the Indian textile sector will require additional workforce of 17 million.

Government Initiatives: The Indian government has introduced a number of schemes and policies to promote exports in textile sector. 100% FDI is allowed in textile sector under automatic route.

Following are some of the initiatives taken by the government to further promote the industry:

Technology Upgradation Fund Scheme: Concessional credit was provided to promote modernisation and upgradation of the textile industry. Under the Union Budget 2018-19, Rs. 2,300 crore (US\$ 355.27 million) was allocated for this



scheme. The Amended Technology Upgradation Fund Scheme is expected to create employment for 3.5 million people and enable investments worth Rs. 950 billion (US\$ 14.17 billion) by 2022.

National Textile Policy 2000: A new draft for this policy expects to employ 35 million by attracting foreign Investments. It also focuses on establishing a modern apparel garment manufacturing centre in every North Eastern state with an investment of almost US\$ 3.27 million by Central Government.

SAATHI: The Union Ministry of Textiles and Energy Efficiency Services Limited, launched a technology upgradation scheme called SAATHI (Sustainable and Accelerated Adoption of Efficient Textile Technologies to Help Small Industries) for reviving the power loom sector of India.

3. OPPORTUNITIES AND THREATS

Opportunities:

We would like to inform that presently India's share in the Global Textile export is just 5% which is minuscule as compared to China's share of 38%. Due to its relatively cheap land and labor, factories equipped with the latest technology and favorable policies for foreign investors, China is a Global manufacturing hub. However, with the COVID-19 outbreak, China's supply chain has been completely disrupted. As a result, global companies are actively looking to diversify their manufacturing and production base outside China. India certainly has an edge to be an alternative manufacturing hub for global players as two major things required to run textile Industry are cotton and work force and they are abundantly available in the country.

Due to the recent developments in several health and hygiene products and rapid vaccination people all over the world, the world economy is slowly recovering and the trade and business are slowly going back and functioning at their normal level. In the current situation a lot of customers from all over the world have started shifting their textile business from China to India, giving us an opportunity to grow and acquire a larger share in foreign market. Indian Government has also introduced a number of initiatives to give a much needed boost to the textile industry. Textile Industry is labour intensive and our company has a stable and experienced workforce to expand and explore the business opportunities in the market.

Threats:

Currently, the biggest threat faced is the third and future waves of COVID-19. The market condition and profitability depends largely on how well the COVID-19 outbreak is handled and controlled. The overall economic situation and mismatch in selling and raw material prices may lead to problems. Due to COVID-19 the spending and consumption patterns of customers have drastically changed. The financial costs, taxes, increasing competition, closing of borders and lockdowns and availability of working capital are other major threats that need to be weighed properly and considered in the long run for the company to be profitable. Raw material which is dependent on excess or shortage of monsoons plays a key role in raw material prices. Availability of raw material at reasonable prices is also crucial for the spinning industry.

4. RISKS AND CONCERNS:

Weak demand and excess supply coupled with excess capacity is the crippling factor in the textile Industry. The intense completion from China, Bangladesh, Taiwan, Srilanka and other developing economies and new regulatory compliances, corporate governance, changing policies of government of India, recovery of fixed and committed costs Changing consumer behavior, Infrastructure bottlenecks, outdated technology, inflexible labour laws and a fragmented nature of the industry pose as risks in front of the company which need serious review and consideration.

5. OUT LOOK:

World economy is expected to rebound in the coming financial year but Indian economy is still suffering from the after-effects of the severe second wave and the upcoming threat of third wave. The company is maintaining a positive outlook for the business in future and is planning to optimize the manufacturing conditions for a better year ahead. The future of Indian textile industry looks promising if the COVID situation is managed well. Keeping in mind all the recent developments, the directors are hopeful that in the current year better financial results will follow for the company.



6. COVID-19 IMPACT AND COMPANY'S RESPONSE

The Directors are continuously monitoring the impact of COVID-19 on the company. They have considered the possible effects of the same on the financial and operational stability and performance of the company and is planning to handle and mitigate the risks on time. Looking at the current scenario, the extent to which the same will impact company's future is uncertain and will depend on the future developments. The Board and the management will continue to closely monitor the situation as it evolves and do its best and to take all necessary measures in the interest of the stakeholders of the company.

7. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an adequate and effective 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 believes that these systems provide, among other things, a reasonable assurance that transactions are executed with management authorization. It also ensures that they are recorded in all material respect to permit preparation of financial statements in conformity with established accounting principles along with the assets of the Company being adequately safeguarded against significant misuse or loss. The company has 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.

8. 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 31.03.2021 was 30.

9. ACCOUNTING TREATMENT

In the preparation of the financial statements the Company has followed the Indian Accounting Standards (IND AS) specified under Section 133 of the Act, read with relevant rules made there under. The Significant Accounting policies which are consistently applied have been set out in the notes to the financial statements.

CAUTIONARY STATEMENT

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. These statements are based on certain assumptions and expectation of future events. Actual results could, however, differ materially from those expressed or implied. 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. The company assumes no responsibility in respect of the forward-looking statements herein, which may undergo changes in future based on subsequent developments, information or events.



INDEPENDENT AUDITOR'S REPORT

To the Members of
SHESHADRI INDUSTRIES LIMITED

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the accompanying financial statements of **SHESHADRI INDUSTRIES LIMITED** ("the company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "the financial statements")

In our opinion and to the best of our information and according to the explanations given to us, except for the effects/ possible effects of our observations stated in "Qualified Opinion" section below, the accompanying financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standard) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

- i) During the year the company has recorded purchase of cotton worth of Rs.2452.75 Lakhs from a supplier and recorded a sale of Rs.3102.04 Lakhs by selling to the same group of companies (Cotton trading activity) Which resulted in a profit of Rs.650 Lakhs, we are unable to comment upon this transaction and related profit.
- ii) During the year under review, the company has provided Rs.157.97 Lakhs as interest on working capital loans and term loans with Andhra Bank as per Terms of Onetime Settlement proposal submitted with the Banks, which the company has failed to repay. Whereas interest as per Bank sanction letter without considering the Onetime Settlement scheme amounts to Rs. 679.51 Lakhs.

In the absence of statement of account/confirmation from the Bank the above amount has been arrived at as per calculation made by the Company.

- iii) Confirmation of balances was not obtained from Debtors, Creditors, loans and advances and other current assets. The management has not made any provision in the books of accounts.

Consequent to the above, loss for the year as at March 31, 2021 was understated and Shareholders funds are overstated to this extent.

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those standards are further described in the *Auditors responsibility for the Audit of Financial Statements* section of our report. We are independent of the company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Material Uncertainty Related to Going Concern

we draw attention to note no. 41 of Financial Results which states that during the year the company has incurred a loss of Rs. 175.09 Lakhs and as at March 31,2021, accumulated losses of Rs. 4,475.81 lakhs as at March 31,2021, resulting in complete erosion of net worth and current liabilities exceed current assets by Rs. 4442.29 Lakhs. Further there were lower cash inflows from existing business activities and the Company has defaulted in payment of dues to banks/ Financial Institutions and could not comply with the terms of sanction and /or repayment schedule of the banks. There were no written communications from banks for further extension of OTS Scheme. 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 have been prepared on "Going Concern" basis for the reasons stated in the said note.



Our opinion is not modified in respect of this matter.

Key Audit Matters

Key Audit matters are those matters that in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matters	Auditor’s Response
Evaluation of Contingent liabilities	
<p>The Company has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes</p> <p>Refer to Notes: no 38 to the Financial Statements</p>	<p>Principal audit procedures</p> <p>Our audit procedures include the following substantive procedures:</p> <ul style="list-style-type: none"> • Obtained understanding of key uncertain tax positions; and • We along with our internal tax experts – <ul style="list-style-type: none"> • evaluated the Design and tested the operating effectiveness of controls around the assessment of the matter; • Read and analyzed select key correspondences, external legal opinions / consultations by management for key uncertain tax positions; • Discussed with appropriate senior management and evaluated management’s underlying key assumptions in estimating the tax provisions; and • Assessed management’s estimate of the possible outcome of the disputed cases; <p>Assessed the appropriateness of disclosures made under the head ‘Contingent Liabilities’ in the financial Statements.</p>

Other information

The Company’s Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the financial statements and our auditor’s report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management’s Responsibility for the Financial Statements

The Company’s Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued there under and other accounting principles generally accepted in India.

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 the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



In preparing the financial statements, the Board of Directors is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
- 2) As required by Section 143(3) of the Act we report that:
 - a) We have sought and except for the matters described in the Basis for qualified opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit,
 - b) Except for the effects of the matters described in the Basis for qualified opinion paragraph above In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books,
 - c) the balance sheet, the statement of profit and loss including other comprehensive income, statement of changes in equity and the cash flow statement 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 financial statements comply with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.
 - e) The matters described in Basis for Qualified Opinion and Material Uncertainty Relation to Going Concern above, in our opinion may have an adverse effect on the functioning of the company.
 - f) On the basis of written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.
 - g) With respect to the adequacy of internal financial controls over financial reporting of the Company with reference to these financial statements and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
 - h) No managerial remuneration was paid during the year under review. Accordingly, reporting under requirements of section 197 does not apply.
 - i) 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 no 45 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 transferred 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
UDIN:21231388AAAABI7986

Place: Hyderabad
Date : 02.07.2021



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 **SHESHADRI INDUSTRIES LIMITED, SECUNDERABAD** for the year ended March 31, 2021.

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 could not verify physically the fixed assets situated at Rajana and Aliabad due to closure of the plant during the year.
- 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. No physical verification of inventory has been conducted during the year.
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. During the year, there is no production and its related activity in the factory and as such, cost records pursuant to sub-section (I) of section 148 of the Companies Act, 2013 have not maintained.
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, 2021 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 (Financial Year)	Due Since	Date of Payment
Employees provident Fund Act	Provident Fund Contribution	64.30	2016-2017, 2017-2018 & 2018-2019 2019-20 & 2020-21	June, 2016	Not Yet Paid
Employees State Insurance Act	Employees State Insurance	1.54	2016-2017, & 2018-2019 2019-20, 2020-21	Jan, 2017	Not Yet Paid
Professional Tax	Professional Tax	4.47	2016-17, 2017-18, & 2018-19, 2019-20, 2020-21	July, 2016	Not yet Paid
Income tax Act, 1961	TDS	69.04	2017-18 & 2018-19 2019-20 & 2020-21	April, 2017	Not Yet Paid
Finance Act	Service Tax	2.52	2016-17, 2017-18 & 2018-19	March, 2017	Not Yet Paid
Central Sales Tax Act	CST	6.39	2017-18 & 2018-19 & 2020-21	June, 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:

Name of Statute	Nature of the dues	Amount (In Lakhs)	Period to which the amount relates (Financial Year)	Forum where dispute is pending
M.P. Sales Tax	Sales Tax dues	7.64	2012-13 & 2013-14	Deputy Commissioner (Appeal), Sales Tax, Bhopal, MP
M.P. Sales Tax	Sales Tax (Entry tax) dues	22.48	2012-2013	Additional Commissioner (Appeal), Sales Tax, Jabalpur, MP
M.P. Sales Tax	Sales Tax (Entry tax) dues	1.96	2013-2014	Additional Commissioner (Appeal), Sales Tax, Jabalpur, MP

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 default as at the Balance Sheet date (Rs in Lakhs)*	Due from
Term Loans		
Andhra Bank -Corp	927.38	From Sep'2016
Working capital Loan		
Andhra Bank	1147.22	From Sep'2016

*Total 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 not paid any remunerations to directors. Accordingly, paragraph 3(xi) of the Companies (Auditor's Report) Order 2016 is not applicable.
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

Place: Hyderabad
Date : 02.07.2021

Membership No.231388
UDIN:21231388AAAABI7986



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 with reference to financial statements of **SHESHADRI INDUSTRIES LIMITED, SECUNDERABAD** (“the Company”) as of March 31, 2021 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 with reference to financial statements 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 with reference to financial statements

A company’s internal financial control with reference to financial statements 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 controls with reference to financial statements 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 with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial



statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with policies or procedures may deteriorate.

Qualified Opinion

According to the information and explanations given to us and based on our audit, the following weaknesses has been identified as at March 31,2021.

- a) The Company did not obtain comparative quotes for the prices paid/ received relating to the transactions with related parties to ensures that those transactions were entered into at armlength prices.
- b) As stated in Note no 43 Pending confirmations/ reconciliation of balances of secured borrowings, balances with banks including, trade receivables, trade payables (including micro and small) and receivables/payables from/to related parties. In this regard as stated in the note, internal control is being strengthen.

The management is confident that on confirmation/reconciliation there will not be any material impact on the financial statements for the year ended March 31,2021.

In our opinion, except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial with referenced to financial statements were operating effectively as at March 31, 2021, 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”.

We have considered the weaknesses identified and reported above in determining the nature, timing and extent of audit tests applied in our audit of the financial statements of the company, and these weaknesses do not affect our opinion on the financial statements of the company.

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

(M.NAGA PRASADU)
Partner

Membership No.231388
UDIN:21231388AAAABI7986

Place: Hyderabad
Date : 02.07.2021

**BALANCE SHEET AS AT MARCH 31, 2021**

Amount in ₹ Lakhs

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	4	3,625.15	3,997.53
(b) Intangible assets	5	0.13	0.13
(c) Financial Assets			
(i) Loans & Advances	6	0.44	3.09
TOTAL Non - Current Assets		3,625.71	4,000.75
Current assets			
(a) Inventories	7	88.47	142.74
(b) Financial Assets			
(i) Trade receivables	8	29.31	39.40
(ii) Cash and cash equivalents	9	5.00	4.92
(iii) Cash and bank balances other than (b) above		165.96	3.53
(iv) Others financial assets	10	0.34	0.61
(c) Current tax assets		-	40.89
(d) Other current assets	11	336.23	443.80
TOTAL Current Assets		625.31	675.89
Total Assets		4,251.04	4,676.64
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	12	495.96	495.96
(b) Other Equity	13	(4,136.97)	(3,961.89)
Total Equity		(3,641.01)	(3,465.93)
Liabilities			
Non - current liabilities			
(a) Financial Liabilities			
(i) Borrowings	14	2,814.59	2,041.73
(b) Provisions	15	9.85	10.51
Total Non - Current Liabilities		2,824.44	2,052.24
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	16	2,074.60	2,808.90
(b) Trade payables	17		
(i) MSME		20.17	21.56
(ii) Other than MSME		1,171.12	1,676.55
(c) Other financial liabilities	18	418.15	260.24
(d) Other current liabilities	19	1,163.44	1,045.89
(e) Provisions	20	220.11	277.19
Total Current liabilities		5,067.59	6,090.33
Contingent Liabilities and Commitments			
Total Equity and Liabilities		4,251.04	4,676.64

NOTES TO THE FINANCIAL STATEMENTS

The notes referred to above, form an integral part of these financial statements.

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: Secunderabad

Date: 02nd July, 2021

For and behalf of Board of Directors

Sheshadri Industries Limited**J.K. Agarwal**

Managing Director

Ms. Neha Jain
Company Secretary**Manish Gupta**
Director

**STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED MARCH 31, 2021** Amount in ₹ Lakhs

Particulars		Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
I.	Revenue from Operations	21	3,157.59	1,179.82
II.	Other Income	22	53.57	203.19
III.	Total Income (I + II)		3,211.16	1,383.01
IV.	Expenses			
	Cost of Materials Consumed	23	10.65	433.59
	Purchases of Stock-in-Trade		2,452.75	229.53
	Changes in inventories of Stock-In-Trade	24	12.97	141.58
	Employee Benefits Expense	25	27.57	310.13
	Finance Cost	26	323.41	418.79
	Depreciation and amortisation expense	27	210.84	236.44
	Other expenses	28	281.23	524.44
	Total expenses (IV)		3,319.43	2,294.50
V.	Profit /Loss before exceptional items and tax (III - IV)		(108.27)	(911.49)
VI.	Exceptional items		50.51	736.14
VII.	Profit/Loss before tax (V + VI)		(57.76)	(175.35)
VIII.	Tax Expenses:			
	a. Current Tax			
	i. Relating to current period		-	-
	ii. Relating to Prior period		117.32	
	b. Deferred tax liability /(Asset)			
	i. On Temporary Differences		-	-
	Total Tax Expenses (VIII)		117.32	-
IX.	Profit for the period (VII - VIII)		(175.09)	(175.35)
X.	Other Comprehensive income	29		
	i. Items that will not be reclassified subsequently to profit or loss		-	0.20
	ii. Income tax relating to items that will not be reclassified to profit or loss		-	
	Total Other Comprehensive Income for the period (VIII)		-	0.20
XI.	Total Comprehensive Income for The Period (VII + VIII)		(175.09)	(175.15)
XII.	Earnings per equity share from Continuing operations:	30		
	Basic and Diluted		(3.53)	(3.53)

The notes referred to above, form an integral part of these financial statements.
per our report of even date

For K.S.Rao & Co.

Chartered Accountants

Firms' Registration Number: 003109S

For and behalf of Board of Directors
Sheshadri Industries Limited

M.Naga Prasadu

Partner

Membership Number:231388

Place: Secunderabad

Date: 02nd July, 2021

J.K. Agarwal
Managing Director

Ms. Neha Jain
Company Secretary

Manish Gupta
Director

**Statement of Changes in Equity for the year ended March 31, 2021**

(₹ in 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, 2021	495.96	-	495.96
For the year ended March 31, 2020	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			
Balance as on 01.04.2020	243.99	(4,300.72)	34.48	60.37	(3,961.89)
Profit/Loss for the year	-	(175.09)	-	-	(175.09)
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	(175.09)	-	-	(175.09)
Equity portion of loan from Directors	-	-	-	-	-
As at March 31, 2021	243.99	(4,475.81)	34.48	60.37	(4,136.97)
Significant Accounting Policies	2&3				
See accompanying notes forming part of financials statements					

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: Secunderabad

Date: 02nd July, 2021

For and behalf of Board of Directors
Sheshadri Industries Limited**J.K. Agarwal**

Managing Director

Ms. Neha Jain
Company Secretary**Manish Gupta**
Director



Cash flow Statement for the year ended March 31, 2021 (₹ in Lakhs.)

Particulars	For the Year ended March 31, 2021 (Audited)	For the Year ended March 31, 2020 (Audited)
I Cash flow from operating activities:		
A. Profit before tax	(175.09)	(175.16)
B. Adjustment for:		
a. Depreciation and amortisation expense	210.84	236.45
b. Interest income	(0.39)	(1.81)
d. (Profit)/Loss on sale of fixed assets (Net)	61.68	76.08
e. Provisions Written back	(15.99)	(85.33)
f. Unrealized foreign exchange gain (Net)	-	(4.46)
g. Finance cost	308.50	418.79
h. Debit balance written off	21.77	120.21
i. Items under other comprehensive income	-	(0.20)
k. Exceptional Tax Expenses	117.32	
m. Interest on Unsecured Loans	14.91	-
	543.55	584.56
C. Adjustment for movements in Working capital		
a. Trade payables	(490.81)	(25.20)
b. Other liabilities and Provisions	217.74	(832.22)
c. Trade receivables	(11.68)	(28.85)
d. Inventories	54.26	267.72
e. Financial and other current assets (Net of fair value adjustment on deposits)	41.92	40.21
D. Cash generated from Operations	354.99	6.24
Less: Direct taxes Paid	(10.51)	(9.56)
Net cash flow from operating activities (I)	344.47	(3.32)
II Cash flows from investing activities		
a. Purchase of fixed assets, including CWIP	(9.75)	4.00
b. Proceeds from sale of fixed assets	109.60	348.45
c. Maturity of security deposits	2.66	52.58
d. Proceeds from redemption/maturity of bank deposit	(162.44)	(1.82)
e. Interest received	0.39	1.81
Net cash flow from/ (used in) investing activities (II)	(59.54)	405.02

**Cash flow Statement for the year ended March 31, 2021** (₹ in Lakhs.)

Particulars	For the Year ended March 31, 2021 (Audited)	For the Year ended March 31, 2020 (Audited)
III Cash flows from financing activities		
a. Interest paid	(150.42)	158.55
b. Repayment of loans and borrowings	28.01	(560.76)
Net cash flow from/ (used in) financing activities (III)	(122.40)	(402.21)
IV Net (decrease) in cash and cash equivalents (I + II + III)	162.52	(0.51)
Cash and cash equivalents at the beginning of the year	8.45	8.96
V Cash and cash equivalents at the end of the year	170.97	8.45
VI Components of cash and cash equivalents:		
a. Cash on hand	5.00	4.92
b. With banks		
i. on current account	165.97	3.53
Total cash and cash equivalents (note no.9)	170.97	8.45

Significant accounting policies 2 & 3

The notes referred to above, form an integral part of financial Statements

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: Secunderabad

Date: 02nd July, 2021

For and behalf of Board of Directors

Sheshadri Industries Limited

J.K. Agarwal

Managing Director

Ms. Neha Jain
Company Secretary

Manish Gupta
Director



Notes forming part of the financial statement as at 31st March, 2021 (Amount in Rs. Lakhs)
Corporate Information

01 Sheshadri Industries Limited (The 'Company') is a Public Limited Company incorporated on 26.08.2009 and its Registered Office is at 6th Floor, Surya towers, 105, S.P.Road, Secunderabad-500003, Telangana State. The Company is engaged in manufacturing of cotton, blended yarns and readymade garments at its manufacturing unit located at Rajna, Madhya Pradesh and Aliabad in Telangana. The Company is listed on BSE

The Financial Statements of the company for the year ended March 31, 2021 are approved by the Board of Directors of the company on July 2, 2021.

Basis of Preparation

02 This IND AS financial statements of the company have been prepared in accordance with Indian Accounting Standards (Herein after referred to as the "IND AS") as notified by the Ministry of Corporate Affairs pursuant to the Section 133 of the Companies Act, 2013 ("The Act") read along with the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standard) Amendment Rules, 2016 and other relevant provisions of the Companies Act as applicable in India.

03. Significant Accounting policies:

a) Significant accounting estimates and assumptions

The preparation of financial statements requires management to make judgments, 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.



Notes forming part of the financial statement as at 31st March, 2021 (Amount in Rs. Lakhs)

iv. Contingencies:

Management judgment 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 realized or intended to be sold or consumed in normal operating cycle;
- ii. Held primarily for the purpose of trading;
- iii. Expected to be realized 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 realization 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



Notes forming part of the financial statement as at 31st March, 2021 (Amount in Rs. Lakhs)

working condition for its intended use and cost of borrowing till the date of capitalization in the case of assets involving material investment and substantial lead time.

Subsequent costs are included in the carrying amount of an asset or recognized 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 recognizes 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, 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.



Notes forming part of the financial statement as at 31st March, 2021 (Amount in Rs. Lakhs)

An intangible asset is derecognized 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 derecognized.

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 financials 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.



Notes forming part of the financial statement as at 31st March, 2021 (Amount in Rs. Lakhs)

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 non funded fund 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".



Notes forming part of the financial statement as at 31st March, 2021 (Amount in Rs. Lakhs)

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.



Notes forming part of the financial statement as at 31st March, 2021 (Amount in Rs. Lakhs)

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.

p) 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.

q) 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.

r) 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.



Notes forming part of the financial statement as at 31st March, 2021 (Amount in Rs. Lakhs)

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 amortized cost:

Amortized 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 amortization 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'.



Notes forming part of the financial statement as at 31 st March, 2021

(Figures in ₹ Lakhs)

4	Property, Plant and Equipment	Particulars	Gross Block			Accumulated Depreciation / Amortisation			Net Block		
			Balance as at 1 April 2020	Additions	Disposals	Balance as at 31st Mar' 2021	Balance as at 1 April 2020	Depreciation for the year	On disposals	Balance as at 31st Mar' 2021	Balance as at 31st Mar' 2020
		I) Tangible Assets									
	a)	Land	13.59	-	-	13.59	-	-	-	13.59	13.59
	b)	Buildings :									
		Factory Buildings	1,000.66	-	-	1,000.66	396.00	30.27	-	574.38	604.66
		Non Factory Buildings- Non Resident	77.76	-	-	77.76	29.68	1.27	-	46.81	48.08
		- Resident	115.21	-	-	115.21	29.40	1.70	-	84.11	85.81
	c)	Plant and Equipment :									
		Plant And Machinery	6,348.26	9.75	1,361.87	4,996.14	3,184.02	165.39	1,194.34	2,841.07	3,164.24
		Generators	5.76	-	-	5.76	0.32	0.55	-	0.87	5.44
		Testing Equipment	14.19	-	-	14.19	13.48	-	-	13.48	0.71
		Canteen Equipment	1.26	-	-	1.26	0.82	0.13	-	0.95	0.31
		Electrical Installations	162.48	-	56.87	105.61	122.51	6.67	54.03	75.15	30.46
		Workshop Equipment	1.22	-	-	1.22	1.16	-	-	1.16	0.06
		Weighing Machines	10.16	-	-	10.16	7.99	0.66	-	8.66	1.51
		Water Works	11.49	-	-	11.49	10.91	-	-	10.91	0.57
		Air Conditioners	16.98	-	1.84	15.14	16.98	-	1.84	15.14	0.00
	d)	Furniture and Fixtures	33.14	-	6.88	26.26	15.55	0.04	6.53	9.06	17.20
	e)	Office Equipment	17.78	-	5.40	12.38	17.13	0.05	5.01	12.18	0.64
	f)	Vehicles	95.25	-	-	95.25	85.11	3.27	-	88.38	10.14
	g)	Data Processing	47.42	-	4.10	43.32	44.01	0.82	3.90	40.93	3.41
		Grand Total	7,972.62	9.75	1,436.96	6,545.41	3,975.09	210.83	1,265.65	2,920.26	3,997.53
	5	Intangible Assets	2.56	-	-	2.56	2.44	-	-	2.44	0.13



Notes forming part of the financial statement as at 31st March, 2021

Amount in ₹ Lakhs

PARTICULARS	As at March 31,2021	As at March 31,2020
6 Loans - Non Current:		
a. Security Deposits - Recoverable (Telephone, APSEB, Electricity ,Coal deposits and others)	0.44	3.09
Total	0.44	3.09
7 Inventories:		
a. Rawmaterials	12.83	36.12
b. Finished Goods	23.87	33.34
c. Stores and Spares	51.77	69.78
d. Work in Progress		
e. Others -Cotton & PV waste(at realizable value)	-	3.50
Total	88.47	142.74
8 Trade Receivables:		
Unsecured, Considered Good		
a. Related Parties		-
b. Others	29.31	39.40
Total	29.31	39.40
9 Cash and cash equivalents:		
A. Balances in bank a/c's		
a. Current Accounts	165.96	3.53
B. Cash on Hand	5.00	4.92
Total	170.96	8.45
10 Other financial assets - Current:		
a. Staff Advances	0.34	0.61
Total	0.34	0.61
11 Other Current Assets:		
a. Advance for purchase of raw material and stores	54.15	91.13
b. Balance with Statutory Authorities	77.07	82.33
c. Prepaid Expenses	1.65	1.06
d. Export License Receivable	245.27	245.27
e. Advance Tax (Net of provision)	(65.92)	-
f. Other Advances	24.01	24.01
Total	336.23	443.80

**Notes forming part of the financial statement as at 31st March, 2021**

Amount in ₹ Lakhs

PARTICULARS	As at March 31,2021	As at March 31,2020
12 Share capital:		
A. Authorised Share Capital: 50,00,000 Equity Shares of Rs. 10/- each	500.00	500.00
	500.00	500.00
B. Issue Share Capital: 49,59,577 Equity shares of Rs 10/- each	495.96	495.96
	495.96	495.96
C. Subscribed and paid up capital: 49,59,577 Equity shares of Rs 10/- each	495.96	495.96
	495.96	495.96
D. Reconciliation of the shares outstanding at the beginning and at the end of year:		
(A) Equity Share Capital		
In no. of Shares		
At the Beginning and at the end of the period	4,959,577	4,959,577
In value of Shares		
At the Beginning and at the end of the period	495.96	495.96
E. Rights attached to the Equity Shares:		
(i) The Company has only one class of equity shares having 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:		
(A) Equity Shares:		
a. Sri. Jeetender Kumar Agarwal	In no.s	21,27,269
	In %	42.89%
b. Narbada Bai	In no.s	6,24,874
	In %	12.60%
c. Westend Developers Ltd	In no.s	481,000
	In %	9.70%



Notes forming part of the financial statement as at 31st March, 2021

Amount in ₹ Lakhs

PARTICULARS	As at March 31,2021	As at March 31,2020
13 Other Equity:		
A. Securities Premium		
At the beginning and at the end of the period	243.99	243.99
Closing Balance	243.99	243.99
B. State Subsidy		
At the commencement of the year	-	10.00
Closing Balance	-	10.00
C. Surplus in Statement of Profit and Loss		
a. At the beginning of the period	(4,300.72)	(4,125.37)
(+) For the current period	(175.09)	(175.35)
b. At the end of the period	(4,475.81)	(4,300.72)
D. Other Comprehensive Income		
On Actuarial Gain/(loss) on post employment benefits		
a. At the beginning of the period	34.48	34.28
b. Profit Transferred from the statement of Profit and loss	-	0.20
c. At the end of the period	34.48	34.48
E. Equity portion on Interest free unsecured loan from Directors	60.36	60.36
Total	(4,136.97)	(3,961.89)
14 Borrowings - Non Current:		
A. Term loans-Secured		
a. Andhra Bank -I	14.87	14.87
Less: Current maturities	14.87	14.87
Sub total	-	-
b. Andhra Bank - II	948.97	948.97
Less: Current maturities	948.97	948.97
Sub total	-	-
c. Andhra Bank - III	1,177.95	1176.46
Less: Current maturities	1,177.95	1178.14
Sub total	-	(1.68)
d. Andhra Bank - Corporate Loan	1,034.88	1033.68
Less: Current maturities	1,034.88	1036.00
Sub total	-	(2.32)
e. Mahindra And Mahindra Financial Services Ltd	2.53	3.54
Less: Current maturities	-	
Sub total	2.53	3.54
TOTAL	2.53	(0.46)

NOTE:

The above Term Loans are secured by fixed assets (present and future) on first charge paripassu basis and second charge paripassu basis on current assets company with existing bankers and guaranteed by three guarantors.



Notes forming part of the financial statement as at 31st March, 2021

Amount in ₹ Lakhs

Terms of Repayment :

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

B. Unsecured loans

- Loans from related parties

(i) Liability component of Unsecured Loan from Directors	333.18	280.16
(ii) Inter-corporate Deposits	2,478.88	1762.03
Sub total	2,812.06	2,042.19
Total (A+B)	2,814.59	2,041.73

15 Provisions - Non Current:

Provision for employee benefits

a. Leave Encashment (unfunded)	0.75	1.05
b. Provision for Gratuity	9.10	9.46
Total	9.85	10.51

16 Short term borrowings repayable on demand:**A. Secured**

(I) Andhra Bank		
Cash Credit	594.66	594.66
Packing Credit	552.53	552.53
PCFC Credit	0.03	0.03
Sub-Total	1,147.22	1,147.22

B. Current maturities of long term borrowings

i). Andhra Bank-I	14.87	14.87
ii). Andhra Bank -II	948.97	948.97
iii). Andhra Bank -III	1,177.95	1,178.14
iv). Andhra Bank - Corporate Loan	1,034.88	1,036.00
	3176.68	3177.98
Less: Loan Repayment Under OTS	2,249.29	1,516.30
Sub-Total	927.38	1,661.68
Total (A+B)	2,074.60	2,808.90

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, 2021

Amount in ₹ Lakhs

PARTICULARS	As at March 31,2021	As at March 31,2020
17 Trade Payables - Current:		
a. Small and Micro enterprises	20.17	21.56
b. Others	1,171.12	1,676.55
Total	1,191.29	1,698.11
18 Other financial liabilities - Current:		
Interest accrued		
a. Andhra Bank Term Loan	417.98	260
b. Andhra Bank Working Capital Loan	0.17	0.17
Total	418.15	260.24
19 Other current liabilities:		
a. Advance received against Land sale	694.93	557.3
b. Advance received against sales	140.23	120.47
c. Statutory Dues	96.45	97.01
d. Other payables	231.83	271.09
	1,163.44	1,045.89
20 Provisions - Current:		
A. Provision for employee benefits		
a. Provision for Gratuity (Un funded)	-	-
b. Leave Encashment (unfunded)	-	-
c. Salary & Reimbursements	148.24	185.64
d. Contribution to PF & ESI	65.83	85.85
e. Bonus Payable	6.04	5.70
Total	220.11	277.19

PARTICULARS	For the year ended March 31,2021 IndAS	For the year ended March 31,2020 IndAS
21 Revenue from Operations:		
A. Domestic Sales		
a. Yarn	3.18	0.00
b. Sale of Cotton	3,102.04	259.54
c. Sale of Fabric	-	627.75
d. Cotton Waste	6.23	14.75
e. Garments	10.56	4.60
d. Job Work Charges Collected	35.58	273.64
e. Sale fo Fabric return	-	(0.46)
Total	3,157.59	1,179.82



Notes forming part of the financial statement as at 31st March, 2021

Amount in ₹ Lakhs

PARTICULARS	For the year ended March 31, 2021 IndAS	For the year ended March 31, 2020 IndAS
22 Other Income:		
A. Interest Income on		
a. Security Deposits	0.30	1.01
b. Bank Deposits	0.09	1.81
B. Other Non-operating Income (Net of Expenses)		
a. Scrap Sales		-
b. Sale of Stores & Spares	5.05	0.27
c. Gain on foreign currency transactions & translation		4.47
d. Commission Received		19.81
e. Rent Received	32.12	-
f. Excess Provision /Credit Balance written Back	15.99	85.33
g. Prior Period Income		3.76
h. Miscellaneous Receipts	0.02	86.73
Total	53.57	203.19
23 Cost of Materials Consumed		
Opening Stock	36.12	57.61
Add : Purchases	1.01	412.10
Less: Inventory write off (shown in other expenses)	13.65	
	23.48	469.71
Less : Value of Raw materials sold	-	-
Less : Closing Stock	12.83	36.12
Total	10.65	433.59
24 Changes in inventories of Stock-In-Trade:		
a. Inventory at the beginning of the period		
Yarn	12.99	36.91
Garments	20.35	76.96
Stock-in-Process	-	59.34
Cotton waste	3.50	5.21
Total	36.84	178.42
b. Inventory at the end of the period		
Yarn	12.99	12.99
Garments	10.88	20.35
Stock-in-Process		-
Cotton waste	-	3.50
Total	23.87	36.84
(Increase)/Decrease in Stock	12.97	141.58

**Notes forming part of the financial statement as at 31st March, 2021**

Amount in ₹ Lakhs

PARTICULARS	For the year ended March 31,2021 IndAS	For the year ended March 31,2020 IndAS
25 Employee Benefits Expense:		
a. Salaries, Wages and Bonus	26.34	275.60
b. Contribution to Provident Fund	0.16	4.91
c. Staff Welfare Expenses	0.07	1.56
d. Gratuity	1.00	26.02
e. Contribution to Employee State Insurance	-	2.04
Total	27.57	310.13
26 Finance Costs		
a. Interest on Borrowings	308.50	416.73
b. Other Borrowing costs	0.36	1.65
c. Interest on Unsecured loans	14.55	0.41
Total	323.41	418.79
27 Depreciation and amortisation expense:		
a. Depreciation on Property ,Plant and Equipment	210.84	236.44
Total	210.84	236.44
28 Other expenses:		
A. Power & Fuel		
(i) Electricity Charges	0.29	66.41
B. Stores & spare parts consumption :		
(i) Consumable Stores	1.59	124.30
(ii) Packing Material Consumed	2.96	0.26
C. Payments to the auditor as		
(i) auditor	1.57	0.80
(ii) for taxation matters	0.13	0.40
D. Rent	2.46	8.34
E. Repairs to : Buildings	6.57	1.33
: Machinery	3.38	6.59
: Others	1.47	5.32
F. Insurance	4.30	8.22
G. Rates and taxes, excluding, taxes on income	12.92	7.01
H. Printing and Stationery	1.57	1.06
I. Postage, Telegrams and Telephones	3.57	8.29
J. Travelling and Conveyance	1.18	30.09

**Notes forming part of the financial statement as at 31st March, 2021**

Amount in ₹ Lakhs

PARTICULARS	For the year ended March 31, 2021 IndAS	For the year ended March 31, 2020 IndAS
K. Directors' Sitting Fees	0.89	1.18
L. Advertisement	0.61	1.35
M. Expenses on Sales	0.41	3.27
N. Legal & Professional Charges	5.91	13.01
O. Vehicle Maintenance	3.29	14.27
P. Bad debts and Debit balance written off	21.77	120.21
Q. Loss on Sale of Fixed Assets	112.18	76.07
R. Miscellaneous expenses	84.72	18.88
S. Donations	-	0.66
T. Prior period items	7.49	7.12
Total	281.23	524.44
29 Other comprehensive income:		
a. Actuarial Gain/(Losses) on Gratuity Expense for the period	-	0.20
b. Deferred Taxes on above	-	-
Total	-	0.20
30 Earnings Per Equity Share:		
a. Total Comprehensive Income for the period	(175.09)	(175.16)
b. Weighted average number of equity shares of Rs. 10/-each	4,959,577	4,959,577
Earnings per equity share (Basic and Diluted) - (a) / (b)	(3.53)	(3.53)

**Notes forming part of the financial statement as at 31st March, 2021**

Amount in ₹ Lakhs

31. Retirement Benefit Obligations:

Particulars	For the year ended March 31, 2021	For the year Ended March 31, 2020
A. Defined Contribution Plan (Expenses):		
Contribution to Provident Fund	-	4.91
Contribution to Employee State Insurance	-	2.04
Contribution to Labour Welfare Fund	-	-
B. Defined Benefit Plans (Gratuity):		
1. Movement in Obligation – Gratuity:		
Present Value of Obligation at the beginning of year	9.46	86.66
Current Service Cost	-	2.64
Interest Cost	-	6.61
Benefits Paid	-	(86.66)
Actuarial (Gain)/Loss on Obligation	-	0.20
Present Value of Obligation at the end of year	-	9.46
2. Movement in Plan Assets – Gratuity:		
Fair Value of Planned assets at the beginning of the year	-	-
Contributions during the year	-	86.66
Benefits Paid during the year	-	(86.66)
Fair Value of Planned assets at the end of the year	-	-
3. Expenses recognised in Profit and Loss Statement:		
<u>Gratuity: -</u>		
Current Service Cost	-	2.64
Net Interest Cost	-	6.61
Expense for the year	-	9.25
4. Recognised in Other Comprehensive Income:		
Actuarial (Gain) /loss for the year		(0.20)

**Notes forming part of the financial statement as at 31st March, 2021**

Amount in ₹ Lakhs

5. Actuarial Assumptions for estimating Company's Defined Benefit Obligation:

a. Attrition Rate			
Age at valuation date			
18-30 years	-		4.00%
31-40 years	-		2.00%
41 and above years	-		1.00%
b. Discount Rate	-		7.63%
c. Expected Rate of Increase in Salary	-		5.00%
d. Mortality Rate	-	Indian Assured Lives Mortality 2006-08 Ult.	
e. Average Remaining Working Life	-		18.00 years
f. Decrement Adjusted Future Service	-		15.29 years

6. Sensitivity Analysis:

Defined Benefit Obligation (Base)			99.47
	Sensitivity	Change	Effect on obligations
Discount Rate		+1%	-
		-1%	-
Salary Growth Rate		+1%	-
		-1%	-
Attrition Rates		+50%	-
		-50%	-
Mortality Rate		+10%	-
		-10%	-

Please note that the sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

There is no change in the method of valuation for the prior period.

7. Expected Payouts – Undiscounted:

Expected payments – 1 st year	-
Expected payments – 2 nd to 5 th years	-
Expected payments – 6 th to 10 th years	-
Expected payments – More than 10 th year	-

**Notes forming part of the financial statement as at 31st March, 2021**

Amount in ₹ Lakhs

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.

During the year, the company has not provided the provisional liability towards salary, wages and other benefits to its factory employees. Further the company has not provided for its liability towards gratuity and leave encashment in accordance to IND AS- 19 “Employee benefits”.

Gratuity provisions as per AS-19 and leave encashment were not applicable in the view of the full and final settlement of employees as the operations of the company were stopped and company offered to settle the dues payable to the employees over a period of 18 months.

32. Income tax expense and Deferred Taxes:

Particulars	For the year ended March 31, 2021	For the year Ended March 31, 2020
<u>Income Tax Expense: -</u>		
a. Current Tax		
- Relating to current year	-	-
- Relating to earlier years	117.32	-
b. Deferred Tax (arising on temporary differences)	-	-
Total Tax Expense for the year	117.32	-

Note: The Company has not recognized Deferred Tax Assets, due to lack of reasonable certainty that deferred taxes will be reversed in near future.

Effective Tax Reconciliation: -

a. Net Profit/(Loss) before taxes	(57.76)	(175.36)
b. Tax rate applicable to the company as per normal provisions	26%	26%
c. Tax expense on net profit (c = a*b)	-	(45.59)
d. Increase/(decrease) in tax expenses on account of:		
i. Effect of Accelerated Depreciation	(34.33)	-
ii. Effect of expenses not deductible in determining taxable profits	171.36	(82.64)
iii. Effect for deduction for expenses earlier disallowed	(18.01)	-
iii. Other adjustments	-	-
Net Increase/(decrease) in tax expenses	119.02	(82.64)

**Notes forming part of the financial statement as at 31st March, 2021**

Amount in ₹ Lakhs

33. 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 is 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, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Financial Assets				
At Fair value through profit & Loss				
Investments in Equity Instruments	-	-	-	-
At Amortised cost				
Loans & Advances	0.44	3.09	0.44	3.09
Trade receivables	29.31	39.40	29.31	39.40
Cash and Bank Balances	170.96	8.45	170.96	8.45
Other Financial assets	0.34	0.61	0.34	0.61
Total Financial Assets	201.05	51.55	201.05	51.55
Financial Liabilities				
At Amortised cost				
Borrowings	4889.19	4850.63	4889.19	4850.63
Trade Payables	1191.29	1698.11	1191.29	1698.11
Other Financial liabilities	418.15	260.24	418.15	260.24
Total Financial liabilities	6498.63	6808.98	6498.63	6808.98

34. Fair Value hierarchy:

The following tables 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, 2021:



Notes forming part of the financial statement as at 31st March, 2021

Amount in ₹ Lakhs

Particulars	Fair Value measurement using			Significant unobservable inputs (Level- 3)
	Total Value	Quoted prices inactivemarkets (Level – 1)	Significant observable inputs (Level – 2)	
<u>Financial Assets:</u>				
Designated at Amortised Cost:				
Loans	0.44	-	-	0.44
Trade Receivables	29.31	-	-	29.31
Cash and Bank Balances	170.96	-	-	170.96
Other Financial Assets	0.34	-	-	0.34
<u>Financial Liabilities:</u>				
Designated at Amortised Cost:				
Borrowings	4889.19	-	-	4889.19
Trade Payables	1698.11	-	-	1698.11
Other Financial liabilities	260.24	-	-	260.24

Particulars	Fair Value measurement using			Significant unobservable inputs (Level- 3)
	Total Value	Quoted prices inactivemarkets (Level – 1)	Significant observable inputs (Level – 2)	
<u>Financial Assets:</u>				
Designated at Amortised Cost:				
Loans	3.09	-	-	3.09
Trade Receivables	39.40	-	-	39.40
Cash and Bank Balances	8.45	-	-	8.45
Other Financial Assets	0.61	-	-	0.61
<u>Financial Liabilities:</u>				
Designated at Amortised Cost:				
Borrowings	4850.63	-	-	4850.63
Trade Payables	1787.07	-	-	1698.11
Other Financial liabilities	3.66	-	-	260.24

**Notes forming part of the financial statement as at 31st March, 2021**

Amount in ₹ Lakhs

35. 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
	Smt. Narbada Agarwal	Mother 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
	3.	M/s. Aananda Lakshmi Spinning Mills Limited
	4.	M/s. Suryalakshmi Cotton Mills Limited
	5.	M/s. Suryavanshi Industries Limited
	6.	M/s. Venkateshwara Apparels
	7.	M/s. Aadya Garments
	8.	M/s. Ishayu Garments
	9.	Jeetender Kumar Agarwal (HUF)
	10.	M/s. Innovative Interiors
	11.	M/s. Sheshadri Power and Infrastructure Pvt Ltd

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, 2021	For the year ended March 31, 2020
i) Purchase of Raw materials and spares		
M/s. Aananda Lakshmi Spinning Mills Ltd	11.50	-
ii) Sale of Raw Material, Finished Goods and spares		
M/s. Ishayu Garments	0.08	659.72
M/s. Suryavanshi Spinning Mills Ltd	0.31	-
M/s. Aananda Lakshmi Spinning Mills Ltd	3.09	-
M/s. Ishayu Garments	18.19	-
M/s. Devshree International Pvt.Ltd	6.57	-

**Notes forming part of the financial statement as at 31st March, 2021**

Amount in ₹ Lakhs

Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
	Short-term Benefits	Post-term Benefits	Short-term Benefits	Post-term Benefits
v) Job Work Charges				
M/s. Ishayu Garments	-	-	-	8.83
vi) Unsecured loan Received (Net of Repayments)				
Jeetender Kumar Agarwal (HUF)	38.46	-	38.46	0.07
M/s. Ishayu Garments	600.00	-	600.00	-
M/s. Devshree International Pvt. Ltd	125.00	-	125.00	-
M/s. Sheshadri Power and Infrastructure Pvt Ltd	-	-	-	-
vii) Interest on Unsecured Loan				
M/s. Sheshadri Power and Infrastructure Pvt Ltd	17.60	-	17.60	-
M/s. Ishayu Garments	1.04	-	1.04	-
M/s. Devshree International Pvt.Ltd	0.03	-	0.03	-
viii) Rental Income				
M/s. Devshree International Pvt Ltd	32.12	-	32.12	-
viii) Job Work Income				
Ishayu Garments	35.57	-	35.57	84.94
ix) Advance received against supply of Readymade Garments				
M/s. Innovative Interiors	-	-	-	12.96
b) Transactions with Key Managerial Personnel				
(i) Remuneration to Key Managerial Personnel				
Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
	Short-term Benefits	Post-term Benefits	Short-term Benefits	Post-term Benefits
Sri JeetenderKumarAgarwal	-	-	-	-
Sitting Fees paid to non-executive directors				
(ii) Unsecured loan Received (Net of Repayments)				
Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
Sri Jeetender Kumar Agarwal	(254.03)	-	(254.03)	-
(iii) Equity portion of Unsecured loan				
Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
Sri Jeetender Kumar Agarwal	7.39	-	7.39	-

**Notes forming part of the financial statement as at 31st March, 2021**

Amount in ₹ Lakhs

(iv) Interest on Unsecured loans

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Sri Jeetender Kumar Agarwal	14.55	0.41

c) Transactions with relatives of Key Managerial Personnel**(i) Unsecured loan Received (Net of Repayments)**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Smt. Meenal Agarwal	2.11	2.60
Sri. Devansh Agarwal	-	6.40

Outstanding balances at the year end

Particulars	As at March 31, 2021	As at March 31, 2020
a. Amounts due from related parties	-	-
b. Amounts due to related parties		
M/s. Sheshadri Power and Infrastructure Pvt Ltd	226.11	-
M/s. Devshree International Pvt.Ltd	132.83	-
M/s. Ishayu Garments	600.97	-
(i) Purchase of Raw Material, Machinery & Spares and others		
M/s. Aananda Lakshmi Spinning Mills Limited	101.37	73.52
M/s. Suryavanshi Industries Limited	14.45	14.45
M/s. Suryalakshmi Cotton Mills Limited	4.83	4.83
M/s. Suryavanshi Spinning Mills Ltd	65.35	55.22
(iii) Job Work		
M/s. Venkateshwara Appearals	-	6.69
M/s. Aadya Garments	3.51	3.51
M/s. Ishayu Garments	23.31	526.90
(iv) Unsecured Loan		
Sri Jeetender Kumar Agarwal	259.03	259.03
Jeetender Kumar Agarwal (HUF)	9.75	9.75
Smt. Narbada Agarwal	2.00	2.00
Smt. Meenal Agarwal	2.11	2.60
Sri. Devansh Agarwal	-	6.47
(v) Equity portion of Unsecured Loan		
Sri Jeetender Kumar Agarwal	-	7.39

36. 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



Notes forming part of the financial statement as at 31st March, 2021

Amount in ₹ Lakhs

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.

ii. Credit risk:

Credit risk is the risk of loss that may arise on outstanding financial instruments when a counter party 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 is 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.

**Notes forming part of the financial statement as at 31st March, 2021**

Amount in ₹ Lakhs

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

Particulars	Less than 12 months	1 to 3 years	More than 3 years	Total
As at March 31, 2021				
Borrowings	750.00	4139.19		4889.19
Trade Payables	-	1045.19	146.10	1191.29
Other Financial Liabilities	157.91	260.24	-	418.15
As at March 31, 2020				
Borrowings	2808.90	2041.73	-	4850.63
Trade Payables	-	1045.19	652.92	1698.11
Other Financial Liabilities	260.24	-	-	260.24

37. 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 makes 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, 2021	As at March 31, 2020
Total Borrowings #	4889.19	4850.63
Debt	4889.19	4850.63
Equity	495.96	495.96
Other Equity*	(4136.97)	(3961.89)
Total Equity	(3641.01)	(3465.93)
Debt/Equity ratio	(1.34)	(1.40)

Total Borrowings includes Long-term and short-term borrowings, Loans from related parties, Inter corporate 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, 2021**

Amount in ₹ Lakhs

38. Contingencies and Commitments:

Particulars		As at March 31, 2021	As at March 31, 2020
Contingent Liabilities			
a.	Against Foreign Bills Discounted	-	-
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
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
d.	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
e.	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
f.	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 ₹ 41 lacs and ₹ 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 company decided to opt the scheme of Central Government under Vivaad se Vishwas scheme announced and settle the disputed liability by providing Rs. 117.32 Lakhs in FY 2020-21. The same amount would be paid as per due date		
Commitments			
a.	Estimated amount of contracts remaining to be executed on capital accounts and not provided for (net of advances)		

**Notes forming part of the financial statement as at 31st March, 2021**

Amount in ₹ Lakhs

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

Particulars	As at March 31, 2021		As at March 31, 2020	
	Principal	Interest	Principal	Interest
Amount due to vendor*	20.17	5.97	17.67	3.89
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.

40. The Company's business activity falls within a single business segment i.e. Textile products, in terms of IND AS 108 on operating segments.
41. The Company has recorded a net loss of Rs. 175.09 Lakhs for the year ended 31st March, 2021 and the accumulated losses of Rs. 4475.81 Lakhs as at 31st March 2021, resulting in complete erosion of net worth and current liabilities exceed current assets by Rs. 4442.29 Lakhs. Further, there were lower cash inflows from existing business activities. The Company has defaulted in payment of dues to banks/financial institutions and could not comply with the terms of sanction and/or repayment schedules of the lending institutions and Banks. As the management of the Company is of the view that financial institutions would settle the liabilities and company's operations would be revived, the accompanying financial statement have been prepared on a "going concern" basis.
42. The Company has shown Rs.50.50 Lakhs as exceptional income consisting Sale of Machinery.
43. In view of the nationwide lock down due to COVID-19 in the last quarter of the year, the company's operations at all its units were shut down which marginally impacted the performance for the quarter. The company has considered internal and external sources of information, economic forecasts and industry reports, up to the date of approval of financial statements in determining the impact of COVID-19 pandemic on various elements of its business operations and financial statements. The company has since resumed its operations in a phased manner from 13/05/2020 conforming with the Guidelines of the Government. The company will continue to closely monitor any material changes to future economic conditions.
44. The Company Paid 63% of OTS amount to Andhra Bank. The Company requested further extension to the bank to pay the balance dues of OTS. The Company has provided interest on OTS to Andhra Bank up to the FY 2020-21 of Rs. 417.98 Lakhs.
45. 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 dates they were issued consequently our company will be eligible for target plus license of Rs.2.17 Crores. Joint



Notes forming part of the financial statement as at 31st March, 2021

Amount in ₹ Lakhs

Director DGFT issued trade notice for implementation of Supreme Court decision. NOC was required from all government agencies .NOC from Income tax department is yet to be received after completion of settlement under Vivaad se Vishwas scheme.

46. The company could not obtain confirmation of balances as at 31st March,2021 in respect of trade receivables and trade payables and the Company hopes that they would be collected and paid.
47. Previous year figures have been regrouped where ever necessary to conform current year classification

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: Secunderabad

Date: 2nd July, 2021

For and behalf of Board of Directors
Sheshadri Industries Limited

J.K. Agarwal

Managing Director

Ms. Neha Jain

Company Secretary

Manish Gupta

Director



SHESHADRI INDUSTRIES LIMITED

CIN: L17291TG2009PLC064849

Registered Office: 6th Floor, Surya Towers, 105, S.P.Road, Secunderabad – 500003

Phone: 91-40-27815135

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

FORM No. MGT-12: POLLING PAPER

(Pursuant to Section 109(5) of the Companies Act, 2013 and Rule 21(1)(c) of the Companies (Management and Administration) Rules, 2014)

BALLOT PAPER

Name of the first named shareholder (in Block letters)	
Postal Address	
Registered Folio No. / *Client ID No. (*Applicable to investors holding shares in dematerialized form)	
Class of shares	Equity

I hereby exercise my vote in respect of the ordinary / special resolutions for the business enumerated below and as stated in the Notice of 12th Annual General Meeting of the Company to be held on Thursday, September 30, 2021 at 10.00 a.m. by recording my/ assent or dissent to the said resolution by placing tick (√) at the appropriate box below:

Sl. No.	Particulars	No. of shares held by me	I/we assent to the resolution (FOR)	I/we dissent to the resolution (AGAINST)
	Ordinary Business			
1	To receive, consider and adopt the Audited Financial Statements for the financial year ended 31st March, 2021 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.			
	Special Business			
3	Authorization to accept loan from the director of the company with an option to convert the same into fully paid up equity shares.			
4	Approval for entering into a related party transaction with the promoters of the company.			

Place: Secunderabad

Date: 14.08.2021

Signature of the member



**12th Annual General Meeting
SHESHADRI INDUSTRIES LIMITED**

Registered Office: 6th Floor, Surya Towers, 105,
S.P. Road, Secunderabad – 500003

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 12th Annual General Meeting of the Sheshadri Industries Ltd held on Thursday, **30th day of September, 2021 at 10.00 A.M. at Incredible One Hotel, 1-2-40, 41 & 43, Park Lane, Sandhu Apartment, Kalasiguda, Secunderabad, Telangana-500003**

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



12th Annual General Meeting

SHESHADRI INDUSTRIES LIMITED

Registered Office: 6th Floor, Surya Towers, 105, S.P.Road, Secunderabad – 500003

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 **Thursday, 30th day of September, 2021 at 10.00 A.M. at Incredible One Hotel, 1-2-40, 41 & 43, Park Lane, Sandhu Apartment, Kalasiguda, Secunderabad, Telangana- 500003**, or at any adjournment thereof in respect of such resolutions as are indicated below:

Sl. No.	Particulars	FOR	AGAINST
	Ordinary Business		
1	To receive, consider and adopt the Audited financial statements of the company for the financial year ended 31st March, 2021 together with the reports of the board of directors and auditors thereon. .		
2	To appoint a director in place of Sri Jeetender Kumar Agarwal (DIN: 00041946), who retires by rotation and being eligible, offers himself for reappointment as a Director liable to retire by rotation.		
	Special Business		
3	Authorization to accept loan from the director of the company with an option to convert the same into fully paid up equity shares.		
4	Approval for entering into a related party transaction with the promoters of the company.		

Signed this _____ day of _____ 2021



Signature of Shareholder

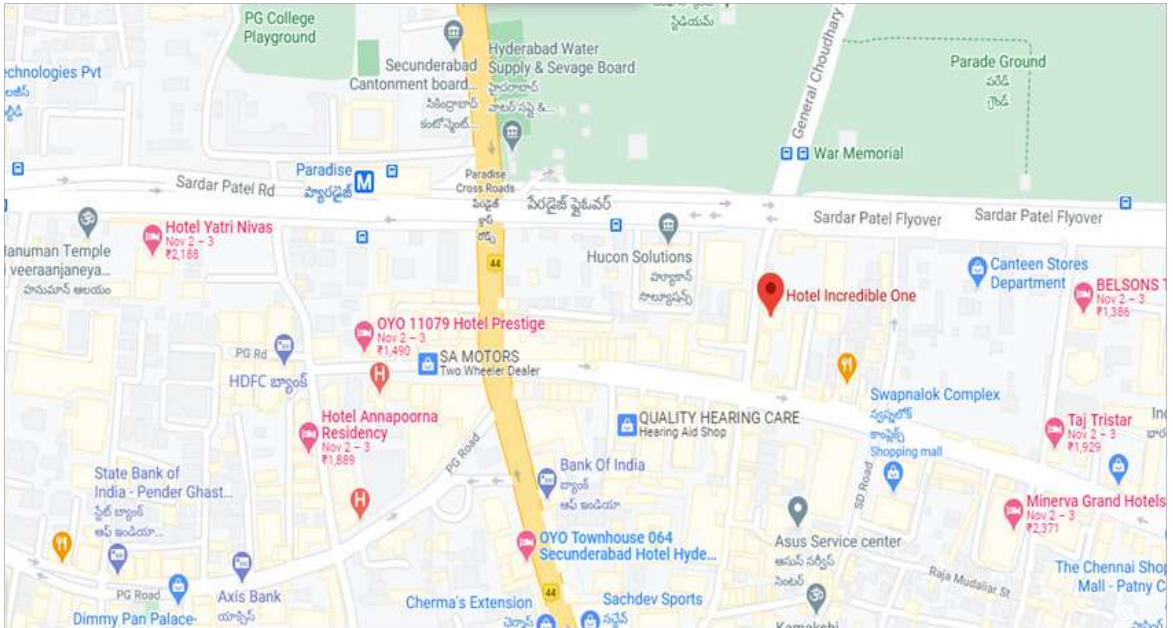
Signature of Proxyholder(s)

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



ROUTE MAP FOR THE VENUE OF 12TH ANNUAL GENERAL MEETING:

I-2-40, 41 & 43, Park Lane, Sandhu Apartment, Kalasiguda, Secunderabad, Telangana 500003, India



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SHESHADRI INDUSTRIES LTD.

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