



# SHESHADRI INDUSTRIES LTD.

Date: August 29, 2023

To  
The Deputy General Manager  
Corporate Relationship Department  
B.S.E. Limited,  
1<sup>st</sup> Floor, Rotunda Building,  
B.S. Marg, Fort  
Mumbai – 400 001

Dear Sir,

**Subject: Submission of 14<sup>th</sup> Annual Report along with the Notice of the 14<sup>th</sup> Annual General Meeting (AGM) of the Company for the Financial Year 2022-23.**

**Ref.: BSE Scrip Code: 539111**

With reference to the subject cited and in compliance of Regulation 34(1) of the Securities and Exchange Board of India (Listing Obligations and Regulations) 2015 we hereby furnish the Notice of the 14<sup>th</sup> Annual General Meeting to be held on 22<sup>nd</sup> day of September, 2023 at 10:00 A.M. at Incredible One Hotel, 1-2-40, 41 & 43, Park Lane, Sandhu Apartment, Kalasiguda, Secunderabad, Telangana 500003 alongwith the Annual report for the Financial year 2022-23.

This is for your information and records.

Thanking you,

Yours faithfully,

**For Sheshadri Industries Limited**

JEETENDER  
KUMAR  
AGARWAL

Digitally signed by  
JEETENDER KUMAR  
AGARWAL  
Date: 2023.08.29 14:57:55  
+05'30'

**Jeetender Kumar agarwal**

**Managing director**

**DIN: 00041946**

Encl: As above.

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

**Registered Office:**  
**Surya Towers, 6<sup>th</sup> Floor, 105, S.P Road**  
**Secunderabad – 500 003, Telangana, India**  
**Telephone : (91) 40 27815135**  
**Email : [info@sheshadri.in](mailto:info@sheshadri.in)**  
**CIN: L17291TG2009PLC064849**



# SHESHADRI INDUSTRIES LTD.

14<sup>th</sup> Annual Report 2022-2023





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## 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. Rozie Mukharjee

### Auditors

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

Flat No. 602, Golden Green Apartments,

Irrum Manzil Colony,

Hyderabad - 500082

### Bankers

State Bank of India

Kotak Mahindra Bank

### Registered Office

6th Floor, Surya Towers, 105

S.P.Road, Secunderabad-500003, Telangana

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

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

CIN: LI7291TG2009PLC064849

Phone: 91-40-27815135

### Audit Committee

Sri Manish Gupta

Sri Jeetender Kumar Agarwal

Sri Uttam Gupta

### Stakeholders' Relationship Committee

Sri Jeetender Kumar Agarwal

Sri Manish Gupta

Sri Uttam Gupta

### Nomination & Remuneration Committee

Sri Manish Gupta

Smt Sushma Gupta

Sri Uttam Gupta

**Listed** on BSE Limited

ISIN: INE193R01019

Scrip Code: 539111

### Registrar and Share Transfer Agents

KFIN Technologies Limited

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

Tel No. 040-67162222, Fax No. 040-23420814

E-mail: [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)

Website: [www.kfintech.com](http://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-500078



## NOTICE

NOTICE IS HEREBY GIVEN THAT THE 14<sup>TH</sup> ANNUAL GENERAL MEETING OF THE MEMBERS OF SHESHADRI INDUSTRIES LIMITED WILL BE HELD ON FRIDAY THE 22<sup>ND</sup> DAY OF SEPTEMBER 2023 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 31<sup>st</sup> March, 2023 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. **To Authorize the Board to Sell, Lease or otherwise Dispose Undertaking of Company Pursuant To Section 180(1)(A):**

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

**“RESOLVED THAT** in supersession of the resolution passed in the 11<sup>th</sup> Annual General Meeting of the Company and pursuant to Section 180(1) (a) and other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under (including any amendment thereto or re-enactment thereof) the consent of the shareholders of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as “the Board” which term shall include any Committee thereof) to sell or dispose of all of the Plant and Machinery of the Spinning Division located at Rajna Village, Pandurna, Chindhara District, Madhya Pradesh, to a company or a body corporate or any other person (s) on such terms and conditions as the Board may deem fit in the best interest of the Company

**RESOLVED FURTHER THAT** any of the Director of the Company be and are hereby authorized to sign such forms/ returns, and various documents as may be required to be submitted to the Registrar of Companies, or such other authorities and to do all the acts, deeds and things which may be necessary to give effect to the above said resolution.”

4. **To make Investments, Give Loans, Guarantees or Provide Securities Under Section 186 of The Companies Act 2013 To M/S. Ishayu Garments Private Limited (Proposed Subsidiary Company)**

*The members are requested to consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:*

**“RESOLVED THAT** pursuant to the provisions of Section 179 and Section 186 of the Companies Act, 2013 (“the Act”) read with the Companies (Meetings of Board and its Powers) Rules, 2014 and other applicable provisions, if any, of the Act (including any modification or re-enactment thereof for the time being in force) and subject to such approvals, consents, sanctions and permissions as may be necessary, consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board”, which term shall be deemed to include, unless the context otherwise requires, any committee of the Board or any officer(s) authorized by the Board to exercise the powers conferred on the Board under this resolution), to (i) To give any loan to any person or subsidiary(ies)/other body corporate upto Rs. 15 Crores (Rupees Fifteen Crores Only); (ii) To give any guarantee or provide any security in connection with a loan to any subsidiary(ies)/ other body corporate or person upto Rs. 40 Crores (Rupees Forty Crores Only) and (iii) To invest/acquire by way of subscription, purchase or otherwise, the securities of any subsidiary(ies)/ other body corporate upto Rs. 10 Crores (Rupees Ten Crores Only), as they may in their absolute discretion deem beneficial and in the interest of the Company, provided that the aggregate of the loans and investments so far made and the amount for which guarantees or securities have so far been provided to all persons or bodies corporate along with the additional investments, loans, guarantees or securities proposed to be made or given or provided by the Company, from time to time, in future, shall not exceed a sum of Rs. 65 Crores (Rupees Sixty Five Crores Only) over and above the limit of 60% of the paid-up share capital, free reserves and securities premium account of the Company or 100% of free reserves and securities premium account of the Company.

**RESOLVED FURTHER THAT** the consent of the members be and is hereby accorded to the Board to invest in the proposed subsidiary company, associated companies, related parties, make loans to them, provide guarantees/securities on their behalf to person or any other body corporate within the limits, if any, as may be applicable from time to time and on such terms and conditions as may be deemed fit and expedient.



**RESOLVED FURTHER THAT** Mr. Jeetender Kumar Agarwal be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this Resolution and to make, sign and execute, on behalf of the Company, such deed, documents, agreements, undertakings and all other necessary papers as may be required; to accept modifications to the same as may be necessary and to do all such acts, deeds and things that may be required or considered necessary or incidental for the same;

**RESOLVED FURTHER THAT** Mr. Jeetender Kumar Agarwal, Managing Director of the Company be and is hereby authorized to file necessary forms with the Registrar of Companies, to make necessary entries in the statutory registers of the Company and to do all such acts, deeds and things as may deem fit to give effect to this resolution.”

**5. To Approve the Material Related Party Transactions with Ishayu Garments Private Limited, the proposed Subsidiary Company:**

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

“RESOLVED THAT pursuant to Regulation 23, of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘SEBI Listing Regulations’) Section 2(76) and other applicable provisions of the Companies Act, 2013 including Rules thereunder, approval of the Members be and is hereby accorded to the Board of Directors of the Company to enter into material related party transaction(s) by way of (a) grant of loans to; and/or (b) provision of guarantee / security to secure any loan/obligations of; and/or (c) acquisition or investment by way of subscription, purchase or otherwise the securities of, Ishayu Garments Private Limited the future Subsidiary of the Company, subject to the condition that the aggregate of principal amount of such loan and/or value of such investment and/or principal amount secured by such guarantee/security shall not exceed an amount of

Rs. 65 Crores (Rupees Sixty Five Crores only) at any point in time. This amount of Rs. 65 crores either individually or all taken together exceeds ten per cent of the turnover of the Company as per audited financial statement for the FY 2022-23.

**RESOLVED FURTHER THAT** the Board of Directors and/or the Audit Committee of the Company be and is hereby authorised to delegate all or any of the powers conferred on it as they may deem fit and take all such steps as may be considered necessary or expedient to give effect to the aforesaid resolution.

**RESOLVED FURTHER THAT** all actions taken by the Board of Directors and/or the Audit Committee in connection with any matter referred to or contemplated in this resolution, be and are hereby approved and confirmed in all respects.”

**6. To Approve the Lease Agreement to be entered between the Company and M/s. Ishayu Garments Private Limited (Proposed Subsidiary of the Company) for the Property located at NH-47, Pandhurna Taluka, Nagpur-Bhopal Road, Rajna Village, Chindhwara District, Madhya Pradesh**

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

“RESOLVED THAT pursuant to Section 188 and any other applicable provisions of the Companies Act, 2013, and Rules made thereunder (including any statutory modifications or re-enactments thereof for the time being in force), and pursuant to the Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subject to such approval(s), consent(s), permission(s) and sanction(s) as may be necessary, the Consent of the Board of Directors be and is hereby accorded to enter into Lease agreement, with M/s. Ishayu Garments Private Limited, proposed subsidiary of the company, to allow to use the leased property NH-47, Pandhurna Taluka, Nagpur-Bhopal Road, Rajna Village, Chindhwara District, Madhya Pradesh on the following term(s) & condition(s):



Sr. no	Period of Contract/Agreement	Contract value proposed (Amount in Rupees)
I	For a period of 11 month w.e.f. 01-10-2023 which shall be further renewed.	The Rent shall be Rs. 75,000/- (plus applicable taxes, if any) per month during the currency of the agreement, including on the renewal of the agreement.

**RESOLVED FURTHER THAT** any person duly authorized by the board of directors be and are hereby severally authorized, to sign, execute, on behalf of the company, the aforesaid agreement and also authorized to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to this Resolution.”

**7. To Approve the Related Party Transactions**

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

“**RESOLVED THAT** pursuant to the provisions of Section 188 and all other applicable provisions of the Companies Act, 2013 and the rules made there under including any modification or amendments or clarifications thereon, if any, and pursuant to the Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subject to such other approvals, consents, permissions and sanctions of any authorities as may be necessary, and pursuant to the Policy of the company on Related Party Transactions, consent of the members be and is hereby accorded for entering into transactions, including material related party transactions, in the ordinary course of Business at arm’s length price, whether by means of contracts/arrangements or otherwise, from time to time, upto the maximum amounts as stated herein below:

Nature of Transactions as per section 188 of the Companies Act, 2013	Name of the Director/KMP who is related and nature of their relationship	Name of the Related Party	Amount (Rupees in Crores)
Export/Supplying Goods /Availing or rendering of any services/ sell purchase or leasing of property	Mr. Jeetender Kumar Agarwal's relative is a Director	Ishayu Garments Private Limited	100

**FURTHER RESOLVED THAT** the Board be and is hereby authorized to settle any question, difficulty or doubt that may arise with regard to giving effect to the above resolution and to do all such acts, deeds, things as may be necessary in its absolute discretion, deem necessary, proper, desirable and to finalize any documents and writings related thereto.”

**8. To Approve the Re-Appointment of Mr. Jeetender Kumar Agarwal (Din-00041946) as the Managing Director of the Company**

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

“**RESOLVED THAT** pursuant to the provisions of section 196, 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of the Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being enforce), in terms of Articles of Association, on recommendation of Nomination & Remuneration Committee and subject to the approval of the shareholders at the ensuing Annual General Meeting, the consent of the Board of Directors of the Company be and are hereby accorded for the re-appointment of Mr. Jeetender Kumar Agarwal (DIN-00041946) as a Managing Director of the Company, for a period of three (3) years commencing from 03rd September 2023 to 02nd September 2026.



**RESOLVED FURTHER THAT** as per Section 197, 198 read with Schedule V of the Companies act 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 with the consent of the Board and Nomination & Remuneration Committee and with the approval of the members accorded on 13th Annual General Meeting (held on 30.09.2022) of the Company, Remuneration by way of Salary and Other Perquisites will be given to Mr. Jeetender Kumar Agarwal (DIN-00041946) from 01st October, 2022 till the expiry of his tenure .

**RESOLVED FURTHER THAT** the appointment of Sri Jeetender Kumar Agarwal be subject to retirement by rotation and when reappointed as a Director immediately on retirement by rotation, shall continue to hold his office of Managing Director and such reappointment shall not be deemed to constitute a break in his appointment as Managing Director.”

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including its Committee thereof), be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this Resolution.

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

**Jeetender Kumar Agarwal  
Managing Director & CFO  
DIN: 00041946**

**Place: Secunderabad**

**Date: 08.08.2023**





## 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. A Member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote on poll instead of himself and such proxy need not be a member of the Company.  

A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. The holder of the proxy shall prove his/her identity at the time of attending the meeting.
3. A form of proxy is enclosed to this annual report. No instrument of proxy shall be valid unless:
  - a. it is signed by the member or by his / her attorney duly authorised in writing or, in the case of joint holders, the signature of any one holder on proxy form will be sufficient, but names of all the joint holders should be stated or, in the case of body corporate, it is executed under its common seal, if any, or signed by its attorney duly authorised in writing; provided that an instrument of proxy shall be sufficiently signed by any member, who for any reason is unable to write his/her name, if his / her thumb impression is affixed thereto, and attested by a judge, magistrate, registrar or sub-registrar of assurances or other government gazetted officers or any officer of a Nationalised Bank;
  - b. it is duly stamped and deposited at the Registered Office of the Company not less than 48 hours before the time fixed for the meeting i.e. by 10:00 a.m. on Wednesday, 20<sup>th</sup> September, 2023, together with the power of attorney or other authority (if any), under which it is signed or a copy of that power of attorney certified by a notary public or a magistrate unless such a power of attorney or the other authority is previously deposited and registered with the Company / Registrar & Share Transfer Agent;
4. Members / proxies are requested to bring duly filled attendance slips, sent herewith, to attend the Meeting and proxy holder shall prove his identity at the time of attending the meeting;
5. Every member entitled to vote at the Annual General Meeting of the Company can inspect the proxies lodged with the Company at any time during the business hours of the Company during the period beginning twenty-four (24) hours before the time fixed for the commencement of the Annual General Meeting and ending on the conclusion of the meeting. However, a prior notice of not less than three (3) days in writing of the intention to inspect the proxies lodged shall be required to be provided to the Company;
6. Institutional / Corporate Members (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., together with attested specimen signature(s) of the duly authorised representative(s), to attend the AGM on its behalf and to vote through remote e-voting. The said Resolution / Authorisation shall be sent by email through its registered email address to the scrutinizer email id: [rashida@rna-cs.com](mailto:rashida@rna-cs.com) with a copy marked to [evoting@kfintech.com](mailto:evoting@kfintech.com) and to the Company at [secdept@suryavanshi.com](mailto:secdept@suryavanshi.com).
7. The Register of Members and Transfer Books of the Company will be closed from **Saturday, 16 September, 2023, to Friday, 22 September, 2023** (both days inclusive) for the purpose of the Annual General Meeting.
8. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc.:
  - a. For shares held in electronic form: to their Depository Participants (DPs).
  - b. For shares held in physical form: to the Company/ KFintech in prescribed Form ISR-1, SH13 and other forms pursuant to SEBI Circular. SEBI Circular mandated the furnishing of PAN, address with PIN, email address, mobile number, bank account details and nomination by holders of physical securities. Folios wherein any one of the cited document / details are not available on or after October 01, 2023, shall be frozen by KFintech.



Further, Shareholders holding shares in physical form are requested to ensure that their PAN is linked to Aadhaar to avoid freezing of folios. Such frozen folios shall be referred by RTA/Company to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and/or Prevention of Money Laundering Act, 2002, if the securities continue to remain frozen as on 31st December, 2025.

9. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the listed companies to issue securities in dematerialized form only while processing service requests viz. issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/ folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR – 4 and/or ISR-5. It may be noted that any service request can be processed only after the folio is KYC compliant.
10. In terms of Regulation 40 of LODR Regulations, except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, all Members holding shares in physical form are requested to demat their shares at the earliest.
11. As per the provisions of Section 72 of the Act and SEBI Circular, the facility for making nomination is available for the Members in respect of the shares held by them as under:
  - a. Members holding shares in physical mode: Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/she may submit the same in Form ISR-3 or SH-14 as the case may be.
  - b. Members holding shares in electronic mode: Members holding shares in electronic form may contact their respective Depository Participants for availing this facility.
12. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or KFintech, the details of such folios together with the share certificates along with the requisite KYC Documents for consolidating their holdings in one folio. Requests for consolidation of share certificates shall be processed in dematerialized form.
13. Pursuant to Section 101 and 136 of the Act read with relevant Rules made thereunder and Regulation 36(1)(a) of LODR Regulations, soft copy of the Annual Report and other communications shall be served to members through electronic mode to those members who have registered their e-mail address either with the Company or KFintech or with any Depositories. As per provisions of Section 20 of the Act read with Rules made thereunder, a document may be served on any member by sending it to him by post or by registered post or by speed post or by courier or by delivering at his office or address, or by such electronic or other mode as may be prescribed including by facsimile telecommunication or to electronic mail address, which the member has provided to his / her Depository Participant / the Company's Registrar & Share Transfer Agent from time to time for sending communications, provided that a member may request for delivery of any document through a particular mode, for which he shall pay such fees as may be determined by the Company in its Annual General Meeting. Those members, who desire to receive notice / financial statement / other documents through e-mail, are requested to communicate their e-mail ID and changes thereto, from time to time, to his / her Depository Participant (in case of Shares held in dematerialised form) / KFintech in Form ISR I (in case of Shares held in physical form).

Accordingly, soft copy of the Annual Report including the notice of the 14<sup>th</sup> Annual General Meeting of the Company in electronic form, inter-alia, indicating the process and manner of e-voting along with Attendance Slip and Proxy Form would be sent to all members whose email IDs are registered with the Company / KFintech / Depository Participant(s). Members may also note that the Notice of the 14<sup>th</sup> Annual General Meeting and the Annual Report for the financial year 2022 - 23 will also be available on the Company's website [www.sheshadri.in](http://www.sheshadri.in) for download and also on the website of KFintech <http://www.kfintech.com/>. Even after registering for e-communication, members are entitled to receive such communication in printed form, upon making a request for the same to the Company's



investor email id: [secdept@suryavanshi.com](mailto:secdept@suryavanshi.com).

14. The Company's Registrar & Share Transfer Agent is **KFIN Technologies 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](mailto:einward.ris@kfintech.com), Website: <https://www.kfintech.com>
15. Brief resume and other requisite details of Mr. Jeetender Kumar Agarwal in terms of Regulation 36(3) of Securities and Exchange Board of India (Listing Obligation & Disclosure Requirement) Regulations 2015 (LODR Regulations) is provided in the Corporate Governance Report forming part of the Annual Report. None of the Directors of the Company are inter-se related to each other.
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. **E-voting**
  - i. In terms of the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 ("the Rules"), as amended and Regulation 44 of LODR Regulations read with SEBI circular dated 9th December, 2020, the Company is providing remote e-voting facility to those members whose names appear in the register of members/list of Beneficial Owners as received from National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL") as on the "cut-off date" fixed for the purpose, to exercise their right to vote at the 14<sup>th</sup> AGM by electronic means. Members may transact the business through e-voting. A person who is not a member as on the cut-off date should treat this Notice for information purpose only;
  - 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. The e-voting period commences on Monday, 18<sup>th</sup> September, 2023 (9:00 AM IST) and ends on Thursday, 21<sup>st</sup> September, 2023 (5:00 PM IST). During the e-voting period, members of the Company, holding shares either in physical form or in dematerialized form, may cast their votes electronically. The e-voting module shall be disabled by Kfintech for voting after 5:00 PM IST Thursday, 21<sup>st</sup> September, 2023. Once the vote on a resolution is cast by a member, whether partially or otherwise, the Member shall not be allowed to change it subsequently or cast vote again.
  - vi. Voting rights shall be reckoned on the paid-up value of shares registered in the name of the member / beneficial owner (in case of electronic shareholding) as on the cut-off date i.e., **15<sup>th</sup> September, 2023**.
  - vii. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, i.e., **15<sup>th</sup> September, 2023** only shall be entitled to avail the facility of remote e-voting as well as voting at AGM through ballot form.
  - viii. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e., 22<sup>nd</sup> September, 2023.



ix. **THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:**

**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"> <li>1. Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “<b>Beneficial Owner</b>” icon under “<b>Login</b>” which is available under ‘<b>IDeAS</b>’ 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 “<b>Access to e-Voting</b>” under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e., Kfin Technologies Limited</b> and you will be re-directed to e-Voting website of <b>Kfin Technologies Limited</b> for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2. If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “<b>Register Online for IDeAS Portal</b>” or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> 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. On successful authentication, you will enter the e-voting module of NSDL. Click on “Active E-voting Cycles / VC or OAVMs” option under E-voting. You will see Company Name on the next screen. Click on the e-voting link available against Sheshadri Industries Ltd and you will be re- directed to the e-voting page of KFin to cast your vote without any further authentication.</li> <li>4. Shareholders/Members can also download NSDL Mobile App “<b>NSDL Speede</b>” facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol> <div style="text-align: center;"> <p>NSDL Mobile App is available on</p> <p>  App Store            Google Play         </p> <div style="display: flex; justify-content: space-around;">   </div> </div>



Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>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 <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e., NSDL</b>. Click on <b>NSDL</b> to cast your vote.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e., <b>KFin Technologies Limited</b> where the e-Voting is in progress.</li> </ol>
Procedure to login through their demat accounts / website of depository participant	You can also login using the login credentials of your Demat account through your Depository Participant registered with NSDL/ CDSL for e-voting facility. An option for “e-voting” will be available once you have successfully logged-in through your respective logins. Click on the option “e-voting” and you will be redirected to e-voting modules of NSDL/CDSL (as may be applicable). Click on options available against the Company’s Name: Sheshadri Industries Limited or E-Voting Service Provider – KFin. You will be redirected to e-voting website of KFin for casting your vote during the remote e-voting period without any further authentication

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

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

Procedure for Members whose email IDs are registered with the Company / Depository Participant(s), and who receives email from KFinTech which will include details of E-Voting Event Number (EVEN), User ID and password:

- Launch internet browser by typing / clicking the URL: <https://evoting.kfintech.com>
- Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number), followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with KFinTech for e-voting, you can use your existing User ID and password for casting the vote.
- After entering these details appropriately, click on “LOGIN”.



4. You will now reach password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
5. You need to login again with the new credentials.
6. On successful login, the system will prompt you to select the E-voting Event Number (EVEN) for Sheshadri Industries Limited” and click on “Submit”.
7. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under “FOR/AGAINST” or alternatively, you may partially enter any number in “FOR” and partially “AGAINST” but the total number in “FOR/ AGAINST” taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option “ABSTAIN”. If the Member does not indicate either “FOR” or “AGAINST” it will be treated as “ABSTAIN” and the shares held will not be counted under either head.
8. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat accounts.
9. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
10. You may then cast your vote by selecting an appropriate option and click on “Submit”.
11. A confirmation box will be displayed.
12. Click “OK” to confirm or else “CANCEL” to modify. Once you have voted on the resolution(s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).

In case email ID of Members is not registered with the Company/Depository Participants, then such Members are requested to register/update their email addresses with the Depository Participant(s) (in case of shares held in Dematerialised form) and inform KFintech at the email id: [evoting@kfintech.com](mailto:evoting@kfintech.com) (in case of Shares held in physical form):

1. Upon registration, Member will receive an e-mail from KFintech which includes details of E-Voting Event Number (EVEN), USER ID and password.
2. Please follow all steps mentioned above to cast your vote by electronic means.

Any member who has forgotten the user id and password, may obtain / generate / retrieve the same from KFintech in the manner as mentioned below:

1. If the mobile number of the member is registered against Folio No. / DP ID / Client ID, the member may send SMS: MYEPWD E-Voting Event Number + Folio No. or DP ID Client ID to the mobile no. 9212993399

Example for NSDL:	MYEPWD IN12345612345678
Example for CDSL:	MYEPWD I402345612345678
Example for Physical:	MYEPWD XXXX1234567890

2. If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.kfintech.com>, the member may click “Forgot Password” and enter Folio No. or DP ID Client ID and PAN to generate a password.



3. Members who may require any technical assistance or support before or during the AGM are requested to contact KFinTech at toll free number 1800-309-4001 or write to them at [evoting@kfintech.com](mailto:evoting@kfintech.com)

**General Guidelines for shareholders**

1. Members holding shares as on the cut-off date shall be entitled to vote through e-voting or during the AGM. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members / List of Beneficial Owner of the Company will be entitled to vote during the AGM.
2. Details of persons to be contacted for issues relating to e-voting:
  - i. Further, in case of queries and / or grievance, in respect of voting by electronic means, members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of <https://evoting.kfintech.com> or contact at [evoting@kfintech.com](mailto:evoting@kfintech.com).
  - ii. For any further clarification, Members may contact Ms. Sheetal Doba, Manager Corporate Registry, KFin Technologies Limited, Unit: Sheshadri Industries Limited, Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032. Contact No. 040-6716 1500/1509 Toll Free No.: 1800-309-4001, E-mail: [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com).
3. 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](mailto:rashida@rna-cs.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) & [secdept@suryavanshi.com](mailto:secdept@suryavanshi.com).
4. 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](http://www.evoting.nsdl.com) to reset the password.
5. 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.
6. The Scrutinizer shall immediately after the conclusion of voting at the general meeting, first count the votes cast during the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two (2) witnesses not in the employment of the Company and make, not later than two working days of conclusion of the meeting, submit a consolidated scrutiniser’s report of the total votes cast in favour or against, if any, to the Chairman or to any person authorised by him, who shall countersign the same.
7. The Chairman or authorized person shall declare the result of the voting forthwith on receiving of the Scrutinizer’s Report. The Results declared along with the Scrutinizer’s Report shall be placed on the Company’s website [www.sheshadri.in](http://www.sheshadri.in) and on the website of KFin at <https://evoting.kfintech.com/public/Downloads.aspx> and shall be communicated to the Stock Exchanges. If, as per the report of the scrutinizer, a resolution is passed, then the resolution shall be deemed to have been passed at the AGM of the Company scheduled on Friday, 22<sup>nd</sup> September, 2023.

**KPRISM- MOBILE SERVICE APPLICATION BY KFIN:**

Members are requested to note that, KFin has a mobile application - KPRISM and website <https://kprism.kfintech.com> for online service to Members.

Members can download the mobile application, register themselves (onetime) for availing host of services viz., consolidated portfolio view serviced by KFin, dividends status etc. through the mobile app, members can also download Annual reports, standard forms and keep track of upcoming General Meetings and dividend



disbursements. The mobile application is available for download from Android Play Store. Alternatively, Investors can also visit the link <https://kprism.kfintech.com/app/> to download the mobile application.

**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 21<sup>st</sup> September 2023 (5.00 P.M. 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](mailto: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 21<sup>st</sup> September 2023 (5.00P.M. IST).
- 18.** 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.
- 19.** A route map showing directions to reach the venue of the 14<sup>th</sup> AGM is given at the end of the Notice.

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

**Jeetender Kumar Agarwal  
Managing Director & CFO  
DIN: 00041946**

**Place: Secunderabad  
Date: 08.08.2023**





**DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT AT THE ANNUAL  
GENERAL MEETING**

**(Pursuant to Regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, the brief profile of Directors eligible for re-appointment vide item no. 2 is as follows:)**

<b>Name of the Director</b>	<b>Mr. Jeetender Kumar Agarwal</b>
DIN	00041946
Date of Birth	22/07/1964
Date of Appointment on the Board	26/03/2013
Nationality	Indian
Qualification	B.E Textile
Expertise in specific functional area	Experience of more than 30 years in Textiles business.
Number of shares held in the Company as on 31.03.2023	21,27,269
List of the directorships held in other companies	1. Suryavanshi Industries Limited; 2. Suryavanshi Integrated Apparel Park Limited; 3. Sheshadri Power and Infrastructure Private Limited
Chairman/ Member in the Committees of the Boards of companies in which he is Director*	Nil

\* Committee memberships/chairmanships includes only Audit Committee and Stake holders' Relationship Committee of other Public Limited Company (whether Listed or not).

There is no inter-se relationship between Board Members.



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

### **ITEM NO. 3**

This explanatory statement is in terms of Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR Regulations”), however, the same is strictly not required as per Section 102 of the Act.

The Board and the management of the Company has decided to close the spinning business and pivot its business operations into manufacture of garments. The company, since the past few years has been incurring cash losses from its spinning division and hence the Board has taken a very conscious decision to exit from the spinning business in totality and curtail the losses. In this direction, the company is proposing to sell of the Plant and Machinery located at Rajna Village, Pandurna, Chindhara District, Madhya Pradesh and the sale proceeds so received shall be utilised to set up the garment manufacturing unit in the same premises.

The Company is proposing to do the Garments business in its subsidiary company. In that regard the Company has formed M/s. Ishayu Garments Private Limited as its subsidiary company for carrying out the garments business under this entity. The Company will invest the sale proceeds of the sale of plant and Machinery of the spinning unit in the said Subsidiary company by way of equity and loan as well lease out on rent the land and building to the subsidiary.

Further the Company’s Garments Division operations located at Aliabad Village, Shameerpet Mandal, Rangareddy District, Telangana will also be operated through M/s. Ishayu Garments Private Limited (proposed Subsidiary company) in the future.

Post the restructuring the Company’s revenue shall be the rental income earned from the land and building, dividend income as well as interest on the loan given to the subsidiary company. By this way the Company will start to generate positive cash flows.

The Company is seeking the approval of the members pursuant to the provisions of Section 180 (1) (a) of the Companies Act 2013 to sell and or dispose of the Plant and Machinery by way of a special resolution.

The members are requested to approve item No. 03 by passing Special Resolution.

Except Mr. Jeetender Kumar Agarwal and his relatives, none of the other Directors or KMP of the company or their relatives are in any way concerned or interested, financially or otherwise in the above resolution.

### **ITEM NO.4**

As already explained under point No 3, the future business plans of the Company, approval is being sought from the shareholders to make sizeable loans / investments and issue guarantees / securities to persons or subsidiary(ies)/bodies corporate, from time to time

The provisions of Section 179, and Section 186 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014, as amended to date, provides that no company is permitted, directly or indirectly, to (a) give any loan to any person or subsidiary(ies)/other body corporate; (b) give any guarantee or provide security in connection with a loan to any subsidiary(ies)/other body corporate or person; and (c) acquire by way of subscription, purchase or otherwise, the securities of any subsidiary(ies)/other body corporate, exceeding sixty percent of its paid-up share capital, free reserves and securities premium account or one hundred per cent of its free reserves and securities premium account, whichever is more. Further, the said Section provides that where the giving of any loan or guarantee or providing any security or the acquisition exceeds the limits specified therein, prior approval of Members by means of a Special Resolution is required.

The members are requested to approve item No. 04 by passing Special Resolution.

Except Mr. Jeetender Kumar Agarwal and his relatives, none of the other Directors or KMP of the company or their relatives are in any way concerned or interested, financially or otherwise in the above resolution.

### **ITEM NO.5**

As per Explanation in Item no.3, your Board had approved investment in Ishayu Garments Private Limited at an aggregate equity investment of Rs. 10 Crores for acquiring 51% equity stake, in tranches. Apart from the equity investment, the



Company also approved the Corporate Guarantee(s) for securing borrowings of Ishayu Garments Private Limited in the future. The Company would be additionally required to fund future business requirements of this entity.

Since the proposed loans/investments by and/or guarantee/security from the Company are expected to exceed limits available under Section 186 of the Companies Act, 2013, requisite authority as detailed in ordinary resolution in Item No. 5 of this Notice is being sought from the Shareholders to the Board.

Though the future transactions by way of funding in this entity by the Company either by way of loan, investment and/or guarantee/security were approved by the Board, the actual action of funding will be done at a future date, when this entity would become subsidiary and therefore such transactions will be considered as related party transactions under extant regulatory requirements. Further since the value of such transactions are expected to exceed materiality threshold prescribed under regulatory provisions, these transactions may be considered as material related party transactions.

In view of this, approval of Shareholders is being sought for the proposed material related party transaction(s) to be carried out in the future by the Company by providing loan and/or making investment and/or providing guarantee/security to the said future Subsidiary upto an aggregate value of Rs. 65 Crores.

The members are requested to approve item No. 05 by passing Ordinary Resolution.

Except Mr. Jeetender Kumar Agarwal and his relatives, none of the other Directors or KMP of the company or their relatives are in any way concerned or interested, financially or otherwise in the above resolution.

#### **ITEM NO. 6**

With the enactment of Companies Act, 2013 and rules framed thereunder and as per provisions of the Sections 188 of the Companies Act, 2013, approval of the shareholders is required to be obtained by way of Resolution for certain related party transactions prescribed therein. In the light of the provisions of Section 188 of the Companies Act, 2013 read with Companies (Meeting of Board & its Powers) Rules, 2014, the Board of Directors have approved the following transactions as set out in item 06 for the approval of the shareholders by resolutions. Detailed information as required to be disclosed in terms of Section 188 of the Companies Act, 2013 read with Rule 15 of Companies (Meeting of Board & its Powers) Rules, 2014 are given below:

<b>Name(s) of the related party and nature of relationship</b>	Ishayu Garments Private Limited (Company in which relative of KMP has significant control)
<b>Nature of contract/ arrangement/transactions</b>	Lease agreement
<b>Duration of the Transactions</b>	For a period of 11 month w.e.f. 01-10-2023 which shall be further renewed.
<b>Salient terms of the contracts or arrangements or transactions including the value, if any</b>	As set out in the proposed resolution

The members are requested to approve item No. 06 by passing Ordinary Resolution.

Except Mr. Jeetender Kumar Agarwal and his relatives, none of the other Directors or KMP of the company or their relatives are in any way concerned or interested, financially or otherwise in the above resolution.

#### **ITEM NO.7**

During the ordinary course of business and in day to day transactions, the company is required to enter into a number of transactions relating to the sale or purchase of goods or relating to availing and rendering of services. Some of these transactions are also entered into with the related parties of the company.

According to the provisions of Section 188 of the Companies Act 2013, if the company enters into any such Related Party transaction that exceeds the threshold limits as specified in the Act the company needs to obtain the consent of the members by way of a resolution for approval to enter into such related party transactions in the ordinary course of business and on arm's length basis upto the maximum limit as mentioned in the resolution at item no. 07 of the Notice.

The above mentioned limits have already been approved by the audit committee and the Board in their respective meetings. The Board recommends the above resolution to be passed as an ordinary resolution.



The members are requested to approve item No. 07 by passing ordinary Resolution.

Except Mr. Jeetender Kumar Agarwal and his relatives, none of the other Directors or KMP of the company or their relatives are in any way concerned or interested, financially or otherwise in the above resolution.

**ITEM NO.8**

The Company had appointed Mr. Jeetender Kumar Agarwal, at the 11th AGM held on 2nd December, 2020 as Managing Director of the Company for a period of three years from 03rd September, 2020. The present terms of appointment of Mr. Jeetender Kumar Agarwal is expiring on 02nd September 2023. Considering his knowledge of various aspects relating to the Company’s affairs and long business experience, the Board of Directors has, based on the recommendation of the Nomination and Compensation Committee and subject to the approval of the Members of the Company, approved the re-appointment of Mr. Jeetender Kumar Agarwal as Managing Director for a further period of 3 (Three) years with effect from 03rd September, 2023.

Mr. Jeetender Kumar Agarwal is not disqualified from being re-appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as a Managing Director.

In terms of the provisions of the Act and the Articles of Association of the Company, the Board of Directors of the Company at its meeting held on 25th May, 2023 and on the recommendation of the Nomination and Remuneration Committee in its meeting held on 25th May 2023, approved the re-appointment of Mr. Jeetender Kumar Agarwal as Managing Director (KMP) of the Company subject to the approval of members/shareholders of the Company in Annual General Meeting to be held on Saturday, 30th day of September, 2023 as a Special Resolution for a period of three years from 03rd September 2023 to 02nd September 2026.

As per Section 197, 198 read with Schedule V of the Companies Act 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 with the consent of the Board and Nomination & Remuneration Committee and with the approval of the members accorded on 13th Annual General Meeting (held on 30.09.2022) of the Company, Remuneration as recommended and approved by way of Salary and Other Perquisites will be given to Mr. Jeetender Kumar Agarwal (DIN-00041946) from 01st October 2022 till the expiry of his tenure .

Mr. Jeetender Kumar Agarwal is one of the promoter directors of Sheshadri Industries Limited and has vast knowledge of textile industry of more than 30 years and his experience in diverse fields and guidance is considered vital for the Company’s growth. He is the Managing Director and has been associated with the Company from October 2014.

Brief resume of Mr. Jeetender Kumar Agarwal, nature of his expertise in specific functional areas, names of companies in which he holds directorships and memberships / chairmanships of Board Committees and shareholding etc. as stipulated under the Listing Regulations, are provided as an Annexure I to this notice.

Additional Disclosure about the appointee as per Schedule V of the Companies Act, 2013

**I. General Information**

1.	<b>Nature of industry</b>	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, in the State of Telangana and at Rajna, in the state of Madhya Pradesh, catering to both domestic and the export markets.
2.	<b>Date or expected date of commencement of commercial production</b>	Not applicable, Company is in existence and operations since 2009
3.	<b>In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus</b>	Not Applicable



4.	<b>Financial performance based on given indicators</b>	As on 31st March, 2023, Total revenue from Operations – Rs. 3474.36 lakh Profit Before Tax – Rs. 975.85 lakh Profit After Tax – Rs. 975.85 lakh
5.	<b>Foreign investments or collaborations, if any</b>	At present the Company does not have any Collaboration, either technical or financial.

**Information about Managing Director:**

S. No	Particular	Details
1.	<b>Background details</b>	Mr. Jeetender Kumar Agarwal is the Chairman and Managing Director of the Company. He holds a bachelor degree
2.	<b>Past remuneration</b>	Rs.1,65,000/- PM. Plus applicable allowances and perquisites paid in FY 2018-2019. Later, due to default in payment of loans to financial institution, no remuneration drawn by them
3.	<b>Recognition or awards</b>	Nil
4.	<b>Job profile and his suitability</b>	He looks after Administration and Export Activities of the Company. He developed the export markets effectively and identified several new overseas markets for the Company's Products.
5.	<b>Remuneration approved (in 13th Annual General Meeting)</b>	a) Basic Salary: 200,000/- (Rupees Two Lakhs only) per month b) Commission: @ 1% (one percent) of Net Profits of the Company or 50% (Fifty percent) of the basic salary, whichever is less. c) Perquisites: In addition to salary and commission as stated above Mr. Jeetender Kumar Agarwal, shall be entitled to perquisite.
6.	<b>Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)</b>	Taking into consideration the qualification, knowledge, experience and the responsibilities shouldered by said Directors, remuneration paid to him with respect to this industry and size
7.	<b>Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any</b>	Mr. Jeetender Kumar Agarwal, Managing Director has the direct pecuniary relationship by way of remuneration from the company.

**Other Information:**

1	<b>Reasons of loss</b>	Not Applicable
2	<b>Steps taken or proposed to be taken for improvement</b>	Not Applicable
3	<b>Expected increase in productivity and profits in measurable terms</b>	Not Applicable

The Board recommends the Resolution at Item No. 08 for approval of the shareholders as special resolution.

None of the Directors/Key Managerial Personnel of the Company/their relatives, except Mr. Jeetender Kumar Agarwal and his relative, is in any way concerned or interested, in the said resolution.



## DIRECTORS' REPORT

To,

The Members

### SHESHADRI INDUSTRIES LIMITED

We have pleasure in presenting the 14<sup>th</sup> Director Report on the business and operations of Company and Financial Results for the year ended 31st March, 2023.

#### 1. STATE OF AFFAIRS & FINANCIAL PERFORMANCE

₹ In lakhs

Particulars	2022-2023	2021-2022
Total Revenue/Turnover	3492.47	8067.99
Gross Profit before financial charges & depreciation	300.37	985.94
Less: Depreciation	168.69	189.01
Financial charges	240.84	246.40
Exceptional items	1085.01	440.05
Profit / (Loss) before taxation	975.85	990.58
Tax expenses	-	-
Profit / (Loss) after taxation	975.85	990.58

#### 2. OPERATIONS

During the year under review, the company achieved a total turnover of Rs. 3492.47 Lakhs which is lower than that of the previous year. During the previous financial year the Company has done trading activity apart from manufacturing of yarn due to volatility in crude prices and low demand for fabrics the yarn prices fell substantially. Global recession, geopolitical conditions etc are the other reasons which affect the turnover of the Company. The operations in the year have ended in a profit of Rs. 975.85 Lakhs compared to a profit of Rs. 990.58 Lakhs in the previous year.

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

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

#### 4. CHANGE IN SHARE CAPITAL

The paid up Share capital of the company is Rs. 49,595,770 and there has been no change in paid up Share Capital during the year under review.

#### 5. TRANSFER TO RESERVES

Your Directors has not proposed to transfer any amount to General Reserve for the financial year under review.

#### 6. DIVIDEND

The Board does not recommend any dividend for the year ended 31<sup>st</sup> March, 2023.

#### 7. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAS OCCURRED BETWEEN THE AFTER THE END OF FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT



There are no material changes and commitments in the company after the end of the financial year till the date of this report that have a bearing on the financial position of the company.

**8. DETAILS OF SIGNIFICANT MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND THE COMPANY'S OPERATIONS IN FUTURE**

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

**9. DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANY**

The company does not have any subsidiaries or Joint-Venture or Associate Companies.

**10. PUBLIC DEPOSITS**

The company has not accepted any deposits under Chapter V of the Companies Act, 2013. Accordingly, there is no disclosure or reporting required in respect of the same.

**11. CORPORATE SOCIAL RESPONSIBILITY**

**FY 2021-22**

Corporate Social Responsibility was applicable to the Company for FY 2021-22 as the Company's net profit before tax was Rs. 550.54 Lakhs at the end of Financial Year 2021-22. As per section 135 of the companies act 2013 read with Corporate Social Responsibility Rules 2014, the Company's average net profit during the three preceding financial years was negative, so NIL amount spent on Corporate Social Responsibility activities in FY 2022-23.

The Board of Directors of the Company has constituted a Corporate Social Responsibility Committee in compliance with Section 135 of the Act. The Company also has in place a Corporate Social Responsibility policy and the same is available on the Company's website [www.sheshadri.in](http://www.sheshadri.in)

The Company is committed to its stakeholders to conduct business in an economically, socially and environmentally sustainable manner that is transparent and ethical.

**FY 2022-23**

The provisions of section 135 of the Companies Act, 2013 relating to Corporate Social Responsibility were not applicable to the Company for the FY 2022-23 as the Company's net profit before tax was (109.16) Lakhs.

The particulars required to be disclosed pursuant to the Companies (Corporate Social Responsibility Policy) Rules, 2014 are given in Annexure V forming part of this Annual Report.

**12. 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.

**13. 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**.



#### **14. LISTING AT STOCK EXCHANGE**

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

#### **15. 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.

#### **16. 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.

#### **17. DIRECTORS AND KEY MANAGERIAL PERSONNEL**

##### **A. CHANGES IN DIRECTORS**

Mr. Jeetender Kumar Agarwal, Managing Director, is liable to retire by rotation at this 14<sup>th</sup> Annual General Meeting of the company and being eligible, seeks re-appointment. The Board of Directors of the company at its meeting held on August 08<sup>th</sup>, 2023 on recommendation of the Nomination and Remuneration Committee has approved the re-appointment of Mr. Jeetender Kumar Agarwal as the Director of the company, subject to the approval of the shareholders at the AGM.

##### **B. DISQUALIFICATION OF DIRECTORS**

None of the directors are disqualified under section 164(2) of the Act. They are not debarred from holding the office of Director pursuant to order of SEBI or any other authority.

##### **C. CHANGES IN KEY MANAGERIAL PERSONNEL**

As on 31<sup>st</sup> March, 2023, following are the Key Managerial personnel of the Company:

1. Mr. Jeetender Kumar Agarwal – Managing Director and Chief Financial officer
2. Ms. Rozie Mukharjee - Company Secretary & Compliance Officer

Ms. Harshita Chandnani resigned from the post of company secretary & Compliance Officer of the company from the close of business hours on 17<sup>th</sup> March, 2023. The Board placed on record its appreciation for the work done by her during her tenure. The Board of Directors, at its meeting held on March 18, 2023, appointed Ms. Rozie Mukharjee as the company secretary and Compliance officer of the company.

##### **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](http://www.sheshadri.in))

#### **G. NOMINATION AND REMUNERATION POLICY**

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

### **18. BOARD AND THEIR COMMITTEES**

#### **I. BOARD OF DIRECTORS**

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

As on 31<sup>st</sup> March 2023, 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 Seven (7) times during the Financial Year. The intervening gap between the meetings was within the prescribed period under the Act and listing Regulations. Details of number of Board meetings and Directors' attendance is as follows:



Sr. No.	Date of the Meeting	No. of directors present at the meeting
1	24-05-2022	4
2	17-06-2022	4
3	25-07-2022	4
4	13-08-2022	4
5	14-11-2022	4
6	04-02-2023	4
7	18-03-2023	4

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 Manish Gupta (Chairman), Sri Jeetender Kumar Agarwal and Sri Uttam Gupta. All the recommendations made by the Audit Committee were accepted by the Board.

During the financial year ended March 31, 2023 – The Audit Committee met 5 (Five) times. The details of the meetings are as below:

Sr. No.	Date of the Meeting	No. of Members present at the meeting
1	24-05-2022	3
2	17-06-2022	3
3	13-08-2022	3
4	14-11-2022	3
5	04-02-2023	3

3. **NOMINATION & REMUNERATION COMMITTEE**

The Nomination & Remuneration Committee comprises of Sri Manish Gupta, Smt. Sushma Gupta and Sri. Uttam Gupta All the recommendations made by the Nomination & Remuneration Committee were accepted by the Board.

During the financial year ended March 31, 2023 – The Nomination and Remuneration Committee met 3 (three) times. The details of the meetings are as below:

Sr. No.	Date of the Meeting	No. of Members present at the meeting
1	24-05-2022	3
2	13-08-2022	3
3	18-03-2023	3

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. Jeetender Kumar Agarwal, Sri. Manish Gupta and Sri. Uttam Gupta.



During the financial year ended March 31, 2023 – The Stakeholders' Relationship Committee met 4 (four) times. The details of the meetings are as below:

Sr. No.	Date of the Meeting	No. of Members present at the meeting
1	14-04-2022	3
2	12-07-2022	3
3	04-10-2022	3
4	19-01-2023	3

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

#### 5. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:

The Board of Directors of the Company has constituted a Corporate Social Responsibility (CSR) Committee of the Board presently comprising of one Executive Director and two Non-Executive Independent Directors.

The Corporate Social Responsibility Committee comprises of Sri Manish Gupta (chairman), Sri. Jeetender Kumar Agarwal (member) and Sri. Uttam Gupta (member).

The CSR committee recommends to the Board, the CSR activities to be undertaken during the year and the amount to be spent on these activities and monitors its progress.

During the financial year ended March 31, 2023 – The CSR Committee met 2 (two) time on 25-05-2022 and 15-11-2022 and all the members were present at the meeting.

#### 6. SEPARATE MEETING OF INDEPENDENT DIRECTOR:

During the year under review, a separate meeting of Independent Directors was held on 08.02.2023 to

- evaluate the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
- reviewing the performance of non-independent directors and the Board as a whole;
- assessing the quality, quantity and timeliness of flow of information between the company management and the Board so as to ensure that the Board is performing the duties effectively and reasonably.

#### 7. 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 29<sup>th</sup> September 2017 for a period of 5 years until the conclusion of 13<sup>th</sup> AGM.

The Company re-appointed M/s. K.S. Rao and Co., Chartered Accountants as the Statutory Auditors for a second term of 5 years in the 13<sup>th</sup> AGM held on 30<sup>th</sup> September 2022 till the conclusion of 18<sup>th</sup> AGM of the company.

#### Explanation to Auditor's Remark

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

1. The management would like to inform that the interest payable on statutory dues would be verified with individual statutory authorities and all the provisions relating to the same shall be made in the financial year 2022-23.
2. The management has agreed with the directors that keeping in mind the financial position and future operations of the company, interest will not be provided on the unsecured loans.
3. The management would like to inform that in an attempt to obtain confirmation from, company has written and sent intimations to all the debtors and creditors, most of them have not yet responded and hence the workings for financials have been completed as per the available balances in the company's books.
4. Though company has not obtained any formal quotes from third parties but the company based on the prevailing market prices has paid or received the payments with the transactions carried out with related parties.

#### 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 Harikshit 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 31<sup>st</sup> March 2023 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. LANS & Co., Chartered Accountant as Internal Auditors to conduct Internal Audit of the Company for the Financial Year 2023- 2024.

## 20. DIRECTORS' RESPONSIBILITY STATEMENT:

In terms of section 134(5) of the Act, your directors state that:

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



- (b) Accounting policies have been selected and applied consistently. Judgments and estimates 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) Proper and sufficient care has been taken 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) Annual accounts have been prepared on a going concern basis;
- (e) Adequate internal financial controls to be followed by the company have been laid down and these are operating effectively; and
- (f) proper and adequate systems have been devised to ensure compliance with the provisions of all applicable laws and these systems are 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 32 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. ADEQUACY OF INTERNAL FINANCIAL CONTROL SYSTEMS**

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 internal auditors of the company conduct audit on regular basis and 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 made any loan pursuant to the provisions of Section 186 of Companies Act, 2013.

Corporate Guarantee given by Sheshadri Industries Limited, in favour of Kotak Mahindra bank as security for repayment of financial facilities granted by the Bank to Suryavanshi Spinning Mills Ltd of Rs. 800 Lakhs.

**27. DISCLOSURES:**

**A. EXTRACT OF ANNUAL RETURN**

Annual Return of the company as on 31<sup>st</sup> March, 2023 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 2022-23.

**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. COST AUDITOR

The Company is not required to maintain cost records under Section 148(1) of the Companies Act, 2013.

## 30. 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. 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.
- b. 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.
- c. 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.
- d. 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, 2023.
- e. 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.
- f. There was no application made / proceeding pending under the Insolvency and Bankruptcy Code, 2016.
- g. During the financial year the company had settled the One time settlement with Union Bank of India (formerly Andhra Bank) by paying the outstanding amount on 30th June, 2022 and has also received the No dues certificate to the effect.

## 31. 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**

**Place: Secunderabad  
Date: 08.08.2023**

**Manish Gupta  
Director  
DIN: 00526638**



## ANNEXURE - I

### Form No. MR-3

#### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2023  
(Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9  
of the Companies (Appointment and Remuneration Personnel)  
Rules, 2014

To,

The Members,

Sheshadri Industries Limited

CIN: L17291TG2009PLC064849

6<sup>th</sup> Floor, Surya Towers I05,

Sardar Patel Road Secunderabad

Telangana 500003

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Sheshadri Industries Limited (hereinafter 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 my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2023 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by ("the Company") for the financial year ended on 31<sup>st</sup> March, 2023, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder as amended from time to time;;
- (ii) The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;
- (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 thereunder 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;**

- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999: **Not Applicable;**

- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008: **Not Applicable;**

- (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: **Not Applicable;**

- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009: **Not Applicable;**

- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998: **Not Applicable;**

- (i) The Securities and Exchange Board of India (Listing Obligation & Disclosure Requirements) Regulations, 2015.

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

- (a) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Board and General Meetings.





- (b) The Listing Agreements 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.

**I 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. There is no change in the composition of the Board of Directors and in composition of Committees during the review period.
2. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were, in most cases, sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through requisite majority. There were no dissenting views from the Board members during the period under review

3. In review, there were no delays in intimation of information/report/certificate to Stock Exchange.
4. The auditor of the Company has given qualified report under point Material Uncertainty Related to Going Concern.
5. Information given by the Management that, company has defaulted in payments of undisputed statutory dues at March 31, 2023 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 its Memorandum and Article of Association
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.

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

For Harikshit & Associates  
Practicing Company Secretaries

Harikshit Sinha  
Partner

Place: Raipur  
Date:08.08.2023

Membership no. 60604  
CP No. 22768  
UDIN. A060604E000765660



**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.

For Harikshit & Associates  
Practicing Company Secretaries

Place: Raipur  
Date:08.08.2023

Harikshit Sinha  
Partner  
Membership no. 60604  
CP No. 22768  
UDIN. A060604E000765660



## 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

1. Company ensures that the manufacturing operations are conducted in the manner whereby optimum utilization and maximum possible savings of energy is achieved.
2. No specific investment has been made on reduction in energy consumption.
3. As the impact of measures taken for conservation and optimum utilization of energy are not quantitative, its impact on cost cannot be stated accurately.

### B. TECHNOLOGY ABSORPTION

The Company is continuously making efforts for adaptation of latest technology at its unit to improve the performance, quality and cost effectiveness of its products, upgrading its plant and Machinery. The Company focuses to pioneer the launch of new products that have been successful in the market to adapt at its unit.

The Company has been continuously improving the quality of its existing products and also to reduce the cost of production and optimum energy utilization.

The Company has not imported any technology from the beginning of this financial year 2022-23 Therefore, no such disclosure on details of technology imported, year of import and absorption of technology are applicable.

During the year the company has not made any expenditure on research & development.

### C. FOREIGN EXCHANGE EARNINGS AND OUTGO : Nil



**ANNEXURE - III**  
**FORM NO. AOC-2**

(Pursuant to clause (h) of sub-clause (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 arm's length transactions under third proviso thereto.

**I. DE 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	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board, if any	Amount (in Lakhs)
Ishayu Garments (Partnership firm in which relative of KMP has significant control)	Commission Income	Ongoing	As per the agreement	--	130.08
Devshree International Private Limited (Company in which relative of KMP has significant control)	Sale of finished goods	Ongoing	As per the agreement	--	33.07
	Commission Income	Ongoing	As per the agreement	--	87.62
	Job work charges on Knitting	Ongoing	As per the terms and conditions of the contract	--	6.30
	Conversion charges for production of yarn	Ongoing	As per the terms and conditions of the contract	--	87.58
	Rental income	Ongoing	As per the agreement	--	16.08

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

Place: Secunderabad  
Date: 08.08.2023

Jeetender Kumar Agarwal  
Managing Director & CFO  
DIN: 00041946



## ANNEXURE - IV

### SHESHADRI INDUSTRIES LIMITED MANAGEMENT DISCUSSION ANALYSIS FORMING PART OF THE ANNUAL REPORT

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

India's GDP has reached \$3.75 trillion in 2023. The textile industry continues to contribute immensely to the exchequer – 4% to the global trade in textiles and apparel, 2% to the GDP (approx. \$70 billion), and constitutes 7% of industry output in terms of value. In Merchandise exports have registered highest ever annual exports of USD 447.46 billion with 6.03% growth during FY 2022-23 surpassing the previous year (FY 2021-22) record exports of USD 422.00 billion. The production of textiles as measured by the Index of Industrial Production (IIP) for textile has seen a consistent decline since March 2022. The index value, which was 118.5 in March 2022, has fallen to 102.3 in October 2022. On a cumulative basis from April to October, 2022, the index value is lower than the corresponding period in the last year.

The financial year 2022-23 opened with a firm belief that the pandemic was rapidly on the wane and that India was poised to grow at a fast pace and quickly ascend to the pre-pandemic growth path. The economy was expected to grow at 6.5 to 7% for FY23 despite pandemic recovery and the Russia-Ukraine war. India's economic growth in FY23 has been principally led by private consumption and capital formation.

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.

The historical high demand for Cotton resulted in spiraling its prices both the domestic and international markets. However the consequential increase in yarn prices was not commensurate with the increase in price of cotton thereby impacting the margin in yarn segment.

#### 2. INDIAN TEXTILE INDUSTRY

Empowered with the abundant availabilities of Cotton, India also has a large pool of manpower which is advantageous since textile and apparel is a labour-intensive sector. The Indian Textile and apparel manufacturing is second largest in the world that spans the entire value chain from fibre to finished goods. All these factors promoted India as one of the leading manufactures and a sourcing hub. The enthusiasm in the textile industry on account of the latest FTAs is expected to move beyond enhanced market access and trade.

The Indian textile and apparel market size reached US\$ 172.3 Billion in 2022. Looking forward, IMARC Group expects the market to reach US\$ 387.3 Billion by 2028, exhibiting a growth rate (CAGR) of 14.59% during 2023-2028. India has a 4% share of the global trade in textiles and apparel. India is the world's largest producer of cotton. Estimated production stood at 362.18 lakh bales during cotton season 2021-22. Domestic consumption for the 2021-22 cotton season is estimated to be at 338 lakh bales. Cotton production in India is projected to reach 7.2 million tonnes (~43 million bales of 170 kg each) by 2030, driven by increasing demand from consumers. In FY23, exports of readymade garments (RMG) cotton including accessories stood at US\$ 7.68 billion till January 2023. It is expected to surpass US\$ 30 billion by 2027, with an estimated 4.6-4.9% share globally. India's textiles industry has around 4.5 crore employed workers including 35.22 lakh handloom workers across the country. In December 2021, the government approved a production-linked incentive (PLI) scheme for textiles. The scheme is expected to promote production of man-made fabric (MMF) apparel, MMF fabrics and products of technical textiles with an aim to increase the global presence of India in these products. The government announced extension of the Rebate of State and Central Taxes and Levies (RoSCTL) scheme for apparel and madeups for three years. The Government aims to encourage private investments through investments under Integrated Textile Parks Scheme and the Technology Upgradation Fund. The Indian textile industry is the second largest employer in the country after the agricultural sector, in terms of employment creation, offering direct and indirect employment to around 100 million people.



### 3. OPPORTUNITIES AND THREATS

#### Opportunities:

- China plus one policy, Economic collapse /volatility in Sri Lanka, Myanmar, Bangladesh, and Pakistan has played out in favour of India as the world has started looking at India as reliable partner for their requirement.
- Rising demand for low cost, sustainable and eco-friendly products. This presents an opportunity for textile manufacturers to develop new products that are made from renewable materials and produced using sustainable manufacturing processes. Cost can be reduced by blending with cheaper man-made fibre.
- Emergence of new Markets: FTA with Australia, Comprehensive Economic Partnership Agreement (CEPA) with UAE and expected favourable trade agreements with UK / Europe present an opportunity for textile manufacturers to expand into new markets and diversify their customer base.

#### Threats:

- The biggest threat to cotton products is competition from other low-cost man-made fibres. Consumers are shifting their focus to low-cost products which has led to intense competition and pricing pressure in the global textile industry.
- There is a high cost to comply with environmental, social and labour regulations which can be costly and time-consuming.
- Further the textile industry is highly sensitive to global economic conditions and can be significantly impacted by global demand and pricing.

### 4. RISKS AND CONCERNS:

The Company has identified key risks such as Market risks, Regulatory risks, Human resource risks, Commodity price risks. Key Risks include fluctuation in raw materials prices, increased global and local competition, sales channel disruption. Retaining the existing talent pool and attracting new talent. Regulatory Risks include changes in taxation regime, government policies with respect to textiles, pollution control, Industrial Relation issues & regulatory compliances.

Cotton/power and fuel costs are of concern. Our primary raw material is cotton, which we source from the domestic market. Cotton is an agricultural product and its supply and quality are subject to forces of nature. Any material shortage or interruption in the domestic supply or deterioration in the quality of cotton due to natural causes or other factors could result in increased production costs. There is propagation in cotton prices which cannot be absorbed in finished goods prices. Preference is shifting from Cotton fibres to manmade fibres i.e. synthetic, polyester etc. which are available at lower prices. This is putting pressure on margin. Power and Fuel are also major manufacturing costs while producing textiles. Any increase in these costs has a negative impact on the profits of the company.

### 5. OUT LOOK:

However, the overall Indian economy is relatively strong and is outperforming major economies; the textile sector is a notable exception. Exports which constituted 22% of industry have fallen significantly. Domestic market is flooded with cheap imported garments that have disrupted the local manufacturers.

India's recovery from the pandemic was relatively quick, and growth in the upcoming year will be supported by solid domestic demand and a pickup in capital investment. In 2022, the overall size of the home textiles & furnishing industry, including the unorganized sector, was about \$18-19 billion, of which \$8.2 billion was exported and remaining \$10 billion was domestic consumption.

Even though India's' outlook is positive for the upcoming financial year, the global outlook, especially the advanced economy are weighed down on account of a combination of a unique set of challenges expected to impart a few downside risks. This would have an impact on the export market for textile industry. However, the inclusive and higher expected domestic consumption would compensate for the reduced exports. The manufacturers, who will



be able to address these challenges, while also differentiating themselves through innovation and quality, are likely to be successful in times to come.

#### **6. 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.

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

The aim is to create an inclusive working environment that attracts and retains the best people, enhances their flexibility, capability and motivation and encourages them to be involved in the growth of the Company. We believe in sophisticated equipment and skilled employee resources, together with strong management and design capabilities. As on 31.03.2023 the Company has 10 employees on rolls of the company.

#### **8. 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.

#### **9. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**

In view of change in operations the company's revenue from operations was Rs. 7956.25 lakhs in the previous financial year and it is decreased to Rs. 3169.31 lakhs during the financial year 2022-23.

#### **10. HEALTH, SAFETY AND SECURITY MEASURES:**

The Company continues to accord the highest priority to health and safety of its employees and communities it operates in. The Company has been fully committed to comply with all applicable laws and regulations and maintains the highest standard of Occupational Health and Safety and ensures safer plants by conducting safety audits, risk assessments and periodic safety awareness campaigns and training to employees. We believe in good health of our employees. Modern occupational health and medical services are accessible to all employees through well-equipped occupational health centers at all manufacturing units.

Further, the Company had taken all precautionary and safety measures for its employees during pandemic and continue to ensure all preventive and protective safeguards for all employees against such threats at its plant and sites.

#### **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.



## Annexure -V

### Annual Report on CSR Activities for Financial Year 2022-23

1. **Brief outline on CSR Policy of the Company:** To actively contribute to the social and economic development of the communities and build a better sustainable way of life for the weaker sections of society, through our meaningful engagement in the areas of Education, Health Care, Sustainable Livelihood & Women Empowerment, Infrastructure Development and Sanitation. The projects undertaken are within the broad framework of Schedule VII of the Companies Act, 2013. The Company's CSR policy can be accessed on the company's website: [www.sheshadri.in](http://www.sheshadri.in)

2. **Composition of CSR Committee:**

S.No	Name of Director	Designation / Nature of Directorship	Number of Meeting of CSR Committee held during the year	Number of Meeting of CSR Committee attended during the year
1	Manish Gupta	Chairman -Non Executive Independent Director	02	02
2	Uttam Gupta	Non Executive Independent Director	02	02
3	Jeetender Kumar Agarwal	Executive Director	02	02

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company – [www.sheshadri.in](http://www.sheshadri.in)

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report) – Not Applicable

5. (a) Two percent of average net profit of the company as per section 135(5) – NA

(b) Surplus arising out of the CSR projects or programs or activities of the previous financial Years - NA

(c) Amount required to be set off for the financial year, if any – NA

(d) Total CSR obligation for the financial year 2022-23– NIL

6. (a). Amount spent on CSR Projects (both Ongoing Project and Other than Ongoing Project) - `NIL

(b). Amount spent in Administrative Overheads – NIL

(c). Amount spent on Impact Assessment, if applicable – Not applicable

(d). Total amount spent for the Financial Year [(a)+(b)+(c)] – `NIL

(e). CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in Rs)	Amount Unspent (in Rs Lakhs)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
NIL				NIL	





(f). Excess amount for set off, if any – `NIL

S. No.	Particulars	Amount (in Rs. Lakhs)
1	Two percent of average net profit of the company as per sub-section (5) of Section 135	NIL
2	Total amount spent a. for the Financial Year b. CSR advance	NIL
3	Excess amount spent for the financial year [1-2]	NIL
4	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
5	Amount available for set off in succeeding financial years [3-4]	NIL

7. (a) Details of Unspent CSR amount for the preceding three financial years: Not Applicable

S.No	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs)	Amount spent in the reporting Financial Year (in Rs).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding Financial years. (in Rs)
				Name of the Fund	Amount (in Rs)	Date of Transfer	
I	-	-	-	-	-	-	-
<b>Total</b>		-	-	-	-	-	-

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): **Not Applicable**

1	2	3	4	5	6	7	8	9
S. No	Project ID.	Name of the Project.	Financial Year in which the project was Commenced.	Project duration.	Total amount allocated for the project (in Rs).	Amount spent on the project in the reporting Financial Year (in Rs).	Cumulative amount spent at the end of reporting Financial Year. (in Rs)	Status of the project - Completed / Ongoing.
-	-	-	-	-	-	-	-	-



8. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR

spent in the financial year. (asset-wise details). **Not Applicable**

(a) Date of creation or acquisition of the capital asset(s). - NA

(b) Amount of CSR spent for creation or acquisition of capital asset.- NA

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc - NA.

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). - NA

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5):

**Not Applicable.**

Place: Secunderabad

Date: 08-08-2023

**Jeetender Kumar agarwal**

**Managing Director**

**DIN: 00041946**

**Manish Gupta**

**Chairman of CSR Committee**

**DIN: 00526638**



## 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, 2023, 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, 2023, its profits including total comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Qualified Opinion

- i. The company has not made any interest provision on outstanding unpaid statutory dues. 38.44 Lakhs
- ii. The company has not made any interest provision for Loans and advances from Directors, Related parties and others Rs. 1263.03 Lakhs
- iii. The company has not made any provision for long term Employee benefits i.e, Gratuity and Leave encashment.

Consequent to the above, profit for the year ended is overstated and Liabilities as on 31st March 2023 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.

### 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 not identified any key audit matters to be communicated in our report except matters specified in basis for qualified opinion.

### 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.

### **Responsibilities of Management and those charged with Governance 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, 2020 ("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) On the basis of written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act,
    - f) With respect to the adequacy of internal financial controls with reference to financial statements of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
    - g) with respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended;
- In our opinion and to the best of our information and explanations given to us, the remunerations paid / provided by the Company to its directors during the reporting period is in accordance with the provision of Section 197 of the Act. The remuneration paid to any directors is not in excess of the limit laid down under section 197 of the Act. The Ministry of Corporate Affairs ("MCA") has not prescribed other details under section 197(16) of the Act which are required to be commented upon by us.
- h) 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 35 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.
- iv. a. The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- b. The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- c. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause under (a) and (b) above, contain any material misstatement.
- v. During the year the company has not declared any dividend.

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

(M.NAGA PRASADU)  
Partner

Membership No.231388

UDIN: 23231388BGYLDG9730

Place : Hyderabad

Date : 25.05.2023



## 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**, for the year ended March 31, 2023.

1. a. In respect of the Company's Property, Plant and Equipment and Intangible Assets:
    - (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.
    - (B) The Company has maintained proper records showing full particulars of intangible assets.
  - b. The Company has a regular program of physical verification of its property, plant and equipment, and right of use assets under which the assets are physically verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain property, plant and equipment were verified during the year and no material discrepancies were noticed on such verification.
  - c. According to the information and explanation given to us and on the basis of our examination of the records of the Company, the immovable properties have been transferred to SHESHADRI INDUSTRIES LIMITED (resulting company 2) as per the scheme of demerger approved by Hon'ble High Court at Hyderabad.
  - d. The company did not revalue its Property, Plant and Equipment (including right of use assets) or intangible assets during the year. Accordingly, paragraph 3 (i)(d) of the Order is not applicable.
  - e. There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
2. a. The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed.
  - b. The Company has not availed any working capital limits on the security of current assets. Hence Para 3(ii) (b) of said order is not applicable regarding the submission of quarterly returns.
3. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any security or granted any advances in the nature of loans, secured or unsecured to companies, limited liability partnership, and other parties during the year.
4. a) Based on the audit procedures carried on by us and as per the information and explanations given to us, the company has not provided loans but stood guarantee to body corporate (Related Party) as below:

Particulars	Guarantees
Aggregate amount during the year –	800 lakhs
Balance outstanding as at balance sheet date	700 Lakhs

The Company has not provided advances in the nature of loans or security to any other entity during the year

- b) The investments made, guarantees provided and the terms and conditions of the grant of all the above-mentioned loans and guarantees provided during the year are, in our opinion, prima facie, not prejudicial to the Company's interest.
- c) The Company does not have any outstanding loans and advances in the nature of loans at the beginning of the current year nor has granted any loans or advances in the nature of loans during the year. Accordingly, reporting under clauses 3(iii)(c), 3(iii)(d), 3(iii)(e) and 3(iii)(f) of the Order is not applicable to the Company.

During the year the Company has not granted loans or provided any guarantees or securities to parties covered under section 185 of the Act except as stated in clause 3(a) above. The Company has complied with the provisions of section 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.



5. As explained to us the Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
6. We have broadly reviewed the cost records maintained by the Company pursuant to sub-section (1) of section 148 of the Companies Act, 2013 and are of the opinion that prime facie the prescribed accounts and records have been made and maintained. We have however not made a detailed examination of the cost records with a view to determine whether they are accurate or Complete.
7. a. According to the records, the company is not regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, Income-tax, Sales-tax, Service tax, Duty of customs, Duty of excise, Value added tax, Cess and all other material statutory dues with the appropriate authorities. However, the extent of arrears of outstanding statutory dues as at March 31, 2023 for a period more than six months from the date they became payable are as below.

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	29.42	2016-17& 2017-2018, 2018-2019 2019-20 and 2020-21	June,2016	Not Yet Paid
Employees State Insurance Act	Employees State Insurance	1.70	2016-17&2018-2019 and 2019-20	Jan ,2017	Not Yet Paid
Professional Tax	Professional Tax	4.50	2016-17, 2017-18,& 2018-19, 2019-20, 2020-21,2021-22	July,2016	Not yet Paid
Income tax Act, 1961	TDS	55.52	2016-17,2017-18 & 2018-19 2019-20& 2020-21	March,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	11.33	2017-18 & 2018-19 & 2020-21	March,2017	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	SalesTax 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. According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been recorded in the books of accounts.
9. a) In our opinion and according to the information and explanation given to us by the Company, during the year the Company has not defaulted in repayment of any loans or other borrowings or in the payment of interest there onto any lender.
- b) According to the information and explanations given to us including representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a wilful defaulter by any bank or financial institution or other lender.





- c) The Company has taken term loan during the reporting period the same were utilized and applied for the purpose which the loans were obtained except the funds deployed temporarily elsewhere.
  - d) On an overall examination of the financial statements of the Company, the funds raised on short-term basis have, prima facie, not been used during the reporting period for long-term purposes by the Company
  - e) The Company does not have subsidiaries, associates, or joint ventures. Hence Para 3(ix) (e) the above-mentioned Order is not applicable;
10. a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, para 3 (x)(a) of the Order is not applicable
- b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Hence, reporting under para 3(x)(b) of the order doesn't arise.
11. a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- b) No report under section 143(12) of the Act has been filed with the Central Government for the period covered by our audit.
- c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, para 3(xii) of the Order 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 the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. a) In our opinion, the company has an adequate internal audit system commensurate with the size and nature of its business.
- b) We have considered the reports of the Internal Auditors for the period under audit.;
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 any non-cash transactions with its directors or persons connected with them. Therefore, the provision of clause 3(xv) of the Order is not applicable;
16. a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.
- b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, para 3 (xvi)(b) of the Order is not applicable.
- c) The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Hence Para 3(xvi) (c) of the said Order is not applicable.
- d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, para 3(xvi) (d) is not applicable.
17. The company has not incurred any cash losses in the financial year and also in the immediately preceding financial year
18. There is no resignation of statutory auditors of the Company during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
19. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they



fall due within a period of one year from the balance sheet date. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- 20 According to the information and explanations given to us, the Company does not have any unspent amount in respect of any ongoing or other than ongoing project as at the expiry of the financial year. Accordingly, Para 3(xx)(a) and (b) of the Order is not applicable for the year.
- 21 The Company does not have subsidiaries, associates or joint ventures. Hence para 3 {xxi} of the above said Order with regard to qualifications or adverse remarks in CARO reports of the companies included in the consolidated financial statements, is not applicable.

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

(M.NAGA PRASADU)  
Partner

Place : Hyderabad

Date : 25.05.2023

Membership No.231388

UDIN: 23231388BGYLDG9730



## 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, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls 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 on the Company's internal financial control system with reference to financial statements.

### **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 31,2023.

- 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 4I Pending confirmations/ reconciliation of balances of 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 31,2023.

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 controls with reference to financial statements were operating effectively as at March 31, 2023, 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

Place : Hyderabad

Date : 25.05.2023

Membership No.231388  
UDIN: 23231388BGYLDG9730

**BALANCE SHEET AS AT MARCH 31, 2023**

Amount in ₹ Lakhs

Particulars	Note No.	As at March 31,2023	As at March 31,2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, Plant and Equipment	1	3,315.26	3,504.08
(b) Intangible assets	2	0.13	0.13
(c) Financial Assets			
(i) Loans & Advances	3	8.09	4.78
<b>TOTAL Non - Current Assets</b>		<b>3,323.48</b>	<b>3,508.99</b>
<b>Current assets</b>			
(a) Inventories	4	165.97	502.82
(b) Financial Assets			
(i) Trade receivables	5	102.80	14.23
(ii) Cash and cash equivalents	6	1.10	8.06
(iii) Cash and bank balances other than (b) above		0.71	9.77
(iv) Others financial assets	7	150.75	176.93
(c) Current tax assets		75.83	69.82
(d) Other current assets	8	380.78	391.21
<b>TOTAL Current Assets</b>		<b>877.94</b>	<b>1,172.84</b>
<b>Total Assets</b>		<b>4,201.42</b>	<b>4,681.83</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share capital	9	495.96	495.96
(b) Other Equity	10	(2,170.55)	(3,146.40)
<b>Total Equity</b>		<b>(1,674.59)</b>	<b>(2,650.44)</b>
<b>Liabilities</b>			
<b>Non - current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	11	2,951.09	1,835.32
(b) Provisions	12	9.17	9.17
<b>Total Non - Current Liabilities</b>		<b>2,960.26</b>	<b>1,844.49</b>
<b>Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	13	208.44	1,230.58
(b) Trade payables	14		
i) MSME		-	15.92
ii) Other than MSME		2,364.40	2,291.84
(c) Other financial liabilities	15	3.35	497.93
(d) Other current liabilities	16	89.80	1,245.10
(e) Provisions	17	249.76	206.41
<b>Total Current liabilities</b>		<b>2,915.75</b>	<b>5,487.78</b>
Contingent Liabilities and Commitments			
<b>Total Equity and Liabilities</b>		<b>4,201.42</b>	<b>4,681.83</b>
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

For and behalf of Board of Directors

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

Managing Director &amp; CFO

Place: Secunderabad

Date: 25th May, 2023

**Rozie Mukharjee**

Company Secretary

**Manish Gupta**

Director

**STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED MARCH 31, 2023** Amount in ₹ Lakhs

Particulars		Note No.	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>I.</b>	Revenue from Operations	18	3,169.31	7,956.25
<b>II.</b>	Other Income	19	323.16	111.74
<b>III.</b>	<b>Total Income (I + II)</b>		<b>3,492.47</b>	<b>8,067.99</b>
<b>IV.</b>	Expenses			
	Cost of Materials Consumed	20	1,886.76	3,288.81
	Purchases of Stock-in-Trade		-	3,336.33
	Changes in inventories of Stock-In-Trade	21	313.74	(401.36)
	Employee Benefits Expense	22	172.63	51.92
	Finance Cost	23	240.84	246.40
	Depreciation and amortisation expense	24	168.69	189.01
	Other expenses	25	818.97	806.35
	<b>Total expenses (IV)</b>		<b>3,601.63</b>	<b>7,517.46</b>
<b>V.</b>	Profit /Loss before exceptional items and tax (III - IV)		<b>(109.16)</b>	<b>550.53</b>
<b>VI.</b>	Exceptional items		<b>1,085.01</b>	<b>440.05</b>
<b>VII.</b>	Profit/Loss before tax (V + VI)		<b>975.85</b>	<b>990.58</b>
<b>VIII.</b>	Tax Expenses:			
	a. Current Tax			
	i. Relating to current period		-	-
	ii. Relating to Prior period		-	-
	b. Deferred tax liability /(Asset)			
	i. On Temporary Differences		-	-
	<b>Total Tax Expenses (VIII)</b>		<b>-</b>	<b>-</b>
<b>IX.</b>	Profit for the period (VII - VIII)		<b>975.85</b>	<b>990.58</b>
<b>X.</b>	Other Comprehensive income	26		
	i. Items that will not be reclassified subsequently to profit or loss		-	-
	ii. Income tax relating to items that will not be reclassified to profit or loss		-	-
	<b>Total Other Comprehensive Income for the period (VIII)</b>		<b>-</b>	<b>-</b>
<b>XI.</b>	Total Comprehensive Income for The Period (VII + VIII)		<b>975.85</b>	<b>990.58</b>
<b>XII.</b>	Earnings per equity share from Continuing operations:	27		
	Basic and Diluted		<b>19.68</b>	<b>19.97</b>

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

For and behalf of Board of Directors

**Sheshadri Industries Limited**

**J.K.Agarwal**

Managing Director & CFO

Place: Secunderabad

Date: 25th May, 2023

**Rozie Mukharjee**

Company Secretary

**Manish Gupta**

Director

**Statement of Changes in Equity for the year ended March 31, 2023** Amount 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, 2023	495.96	-	495.96
For the year ended March 31, 2022	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 01.04.2022	243.99	(3,485.23)	34.48	60.37	(3,146.40)
Profit/Loss for the year	-	975.85	-	-	975.85
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	975.85	-	-	975.85
Equity portion of loan from Directors	-	-	-	-	-
As at March 31, 2023	243.99	(2,509.38)	34.48	60.37	(2,170.55)
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: 25th May, 2023

**Rozie Mukharjee**

Company Secretary

For and behalf of Board of Directors

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

Managing Director &amp; CFO

**Manish Gupta**

Director

**Cash flow Statement for the Year ended on March 31, 2023**

Amount in ₹ Lakhs

Particulars	For the Year ended March 31, 2023 ( Audited)	For the Year ended March 31, 2022 ( Audited)
<b>I Cash flow from operating activities:</b>		
A. Profit before tax	975.85	550.53
<b>B. Adjustment for:</b>		
a. Depreciation and amortisation expense	168.69	189.01
b. Interest income	(11.12)	(0.46)
c. (Profit)/Loss on sale of fixed assets (Net)	(6.02)	(0.01)
d. Provisions Written back	(91.60)	(3.03)
e. Finance cost	111.75	164.67
f. Debit balance written off	5.80	0.11
h. Interest on Unsecured Loans	129.08	80.75
	<b>1,282.43</b>	<b>981.57</b>
C. Adjustment for movements in Working capital		
a. Trade payables	148.24	1,119.49
b. Other liabilities and Provisions	(1,606.53)	147.03
c. Trade receivables	(94.37)	14.97
d. Inventories	336.85	(414.34)
e. Financial and other current assets (Net of fair value adjustment on deposits)	36.60	(165.64)
D. Cash generated from Operations	103.22	1,683.08
Less: Direct taxes Paid	(6.01)	(135.74)
<b>Net cash flow from operating activities (I)</b>	<b>97.21</b>	<b>1,547.34</b>
Effect of Extraordinary / Exceptional Item	(1,085.01)	
<b>II Cash flows from investing activities</b>		
a. Purchase of fixed assets, including CWIP	(1.02)	(70.69)
b. Proceeds from sale of fixed assets	21.20	2.75
c. Maturity of security deposits	3.31	4.35
e. Proceeds from redemption/maturity of bank deposit	-	165.97
f. Interest received	11.12	0.46
<b>Net cash flow from/ (used in) investing activities (II)</b>	<b>(1,050.40)</b>	<b>102.84</b>





Particulars	For the Year ended March 31, 2023 ( Audited)	For the Year ended March 31, 2022 ( Audited)
<b>III Cash flows from financing activities</b>		
a. Interest paid	(131.02)	(0.98)
b. Repayment of loans and borrowings	1,068.18	(1,802.33)
<b>Net cash flow from/ (used in) financing activities (III)</b>	<b>937.16</b>	<b>(1,803.31)</b>
<b>IV Net (decrease) in cash and cash equivalents (I + II + III)</b>	<b>(16.03)</b>	<b>(153.14)</b>
Cash and cash equivalents at the beginning of the year	17.83	170.97
<b>V Cash and cash equivalents at the end of the year</b>	<b>1.81</b>	<b>17.83</b>
<b>VI Components of cash and cash equivalents:</b>		
a. Cash on hand	1.10	8.06
b. With banks		
i. on current account	0.71	9.77
<b>Total cash and cash equivalents (note no.12)</b>	<b>1.81</b>	<b>17.83</b>
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: 25th May, 2023

**Rozie Mukharjee**

Company Secretary

For and behalf of Board of Directors

**Sheshadri Industries Limited**

**J.K.Agarwal**

Managing Director & CFO

**Manish Gupta**

Director



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## Notes forming part of the financial statement as at 31<sup>st</sup> March, 2023

### 01. Corporate Information

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, 2023 are approved by the Board of Directors of the company on May 25, 2023.

### 02. Basis of Preparation

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.

These standalone financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest lakhs, unless otherwise indicated.

### 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.

**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 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 derecognized 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 recognized in the Statement of Profit and Loss. Property, Plant and Equipment which are found to be not usable or retired from active use or when no further benefits are expected from their use are removed from the books of account and the carrying value, if any, is charged to Statement of Profit and Loss.

**Transition to Ind AS:**

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

**d) Intangible Assets:**

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



**Computer software:**

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

An intangible asset is 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 capitalization.

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 realizable 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.

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".

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

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

**l) Earnings Per Share:**

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

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

**m) Provisions:**

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

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

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

**n) Contingencies:**

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

**o) Taxes on Income:**

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

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



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

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

**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.

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'.

**Recent accounting pronouncements**

On March 31, 2023, Ministry of Corporate Affairs ('MCA') issued the Companies (Indian Accounting Standards) Amendment Rules, 2023 ('the Rules'), applicable for annual reporting periods beginning on or after April 01, 2023, which are as below:

**a. Ind AS I – Presentation of Financial Statements:**

Entities are required to disclose its 'material accounting policy information' instead of its 'significant accounting policies'. Guidance has been added to explain how an entity can identify material accounting policy information and to give examples of when accounting policy information is likely to be material. The amendments also clarify that (a) accounting policy information may be material because of its nature, even if the related amounts are

immaterial; (b) accounting policy information is material if users of an entity's financial statements would need it to understand other material information in the financial statements; and (c) if an entity discloses



immaterial accounting policy information, such information shall not obscure material accounting policy information. These amendments are not expected to have any material impact on the financial statements of the Company.

**b. Ind AS 8 – Accounting policies, Changes in Accounting estimates and Error:**

The definition of ‘change in accounting estimates’ is replaced with a definition of ‘accounting estimates’. As per the new definition accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. The amendments have also added explanation for treatment and recognition of changes in accounting estimates. These amendments are not expected to have any material impact on the financial statements of the Company.

**c. Ind AS 12 – Income taxes:**

Transactions which give rise to equal taxable and deductible temporary differences (at time of the transaction) have been added to exceptions to the initial recognition exemption provided in the Ind AS 12. The amendments also apply to taxable and deductible temporary differences associated with right-of-use assets and lease liabilities, and decommissioning obligations and corresponding amounts recognised as assets at the beginning of the earliest comparative period presented and requires recognition of the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at that date. These amendments are not expected to have any impact on the financial statements of the Company.

**d. Other Ind AS:**

Amendments pertaining to other Ind AS [i.e. Ind AS 34 - Interim Financial Reporting, Ind AS 101 – First Time Adoption of Indian Accounting Standards, Ind AS 102 – Share-based Payments, Ind AS 103 – Business Combinations, Ind AS 107 – Financial Instruments Disclosures, Ind AS 109 – Financial Instruments and Ind AS 115 – Revenue from Contracts with Customers] contained the said Rules are in the nature of either certain corrections of errors/references or consequential changes in respect of the above mentioned amendments and do not have any material impact on existing accounting principles.



(Figures in Rs. Lakhs)

Particulars	Gross Block			Accumulated Depreciation / Amortisation			Net Block	
	Balance as at 1 April 2022	Additions	Disposals	Balance as at 31st Mar' 2022	Depreciation for the year	On disposals	Balance as at 31st Mar' 2023	Balance as at 31st Mar' 2022
<b>1) Tangible Assets</b>								
a) Land	65.79	-	15.18	50.61	-	-	50.61	65.79
<b>b) Buildings :</b>								
Factory Buildings	1,000.66	-	-	1,000.66	27.85	-	518.04	545.89
Non Factory Buildings- Non Resident	77.76	-	-	32.22	1.28	-	44.26	45.54
- Resident	115.21	-	-	115.21	1.70	-	80.71	82.41
<b>c) Plant and Equipment :</b>								
Plant And Machinery	5,011.64	-	37.21	4,974.43	129.04	35.30	2,575.62	2,706.56
Generators	5.76	-	-	5.76	0.55	-	3.80	4.35
Testing Equipment	14.19	-	1.18	13.48	-	1.13	12.35	0.71
Canteen Equipment	1.26	-	-	1.26	0.13	-	0.06	0.18
Electrical Installations	105.61	-	29.11	76.50	4.67	27.66	18.00	24.12
Workshop Equipment	1.22	-	1.22	0.00	-	1.16	0.00	0.06
Weighing Machines	10.16	-	3.31	6.85	0.13	3.14	0.65	0.95
Water Works	11.49	-	-	11.49	-	-	10.91	0.57
Air Conditioners	14.86	0.27	-	15.13	2.18	-	(0.00)	1.91
Furniture and Fixtures	26.26	-	-	26.26	0.02	-	17.14	17.16
Office Equipment	12.38	-	0.10	12.18	0.00	0.09	0.18	0.20
Vehicles	94.80	-	46.66	89.23	0.81	44.33	2.43	5.57
Data Processing	43.34	0.75	0.79	43.30	0.33	0.75	2.48	2.10
<b>Grand Total</b>	<b>6,612.40</b>	<b>1.02</b>	<b>134.76</b>	<b>6,478.66</b>	<b>168.69</b>	<b>113.56</b>	<b>3,163.44</b>	<b>3,504.08</b>
<b>2 Intangible Assets</b>								
	2.56	-	-	2.44	-	-	0.13	0.13



PARTICULARS		As at March 31,2023	As at March 31,2022
<b>3</b>	<b>Loans - Non Current:</b>		
a.	Security Deposits - Recoverable (Telephone, APSEB, Electricity ,Coal deposits and others)	8.09	4.78
	<b>Total</b>	<b>8.09</b>	<b>4.78</b>
<b>4</b>	<b>Inventories:</b>		
a.	Rawmaterials	41.24	53.10
b.	Finished Goods	90.24	309.85
c.	Stores and Spares	13.24	24.49
d.	Work in Progress	20.71	44.19
e.	Others -Cotton & PV waste(at realizable value)	0.54	71.19
	<b>Total</b>	<b>165.97</b>	<b>502.82</b>
<b>5</b>	<b>Trade Receivables:</b>		
	Unsecured, Considered Good		
a.	Related Parties	-	-
b.	Others	102.80	14.23
	<b>Total</b>	<b>102.80</b>	<b>14.23</b>

**5 a) Trade Receivables ageing Schedule:**

S. No.	Particulars	Outstanding for following Periods from Due date of Payment					Total as at 31st March,2023
		Less than 6 months	6 months to one year	1-2 years	2-3 years	More than 3 years	
(i)	Undisputed Trade Receivables - Considered good	96.23		6.57			102.80
(ii)	Undisputed Trade Receivables - Considered doubtful						
(iii)	Disputed Trade Receivables - Considered doubtful						
(iv)	Disputed Trade Receivables - Considered doubtful						

**Notes forming part of the financial statement as at 31<sup>st</sup> March, 2023** Amount in ₹ Lakhs**b) Trade Receivables ageing Schedule:**

S. No.	Particulars	Outstanding for following Periods from Due date of Payment					Total as at 31 <sup>st</sup> March, 2022
		Less than 6 months	6 months to one year	1-2 years	2-3 years	More than 3 years	
(i)	Undisputed Trade Receivables - Considered good	0.01		10.86		3.36	14.23
(ii)	Undisputed Trade Receivables - Considered doubtful						
(iii)	Disputed Trade Receivables - Considered doubtful						
(iv)	Disputed Trade Receivables - Considered doubtful						

PARTICULARS	As at March 31, 2023	As at March 31, 2022
<b>6 Cash and cash equivalents:</b>		
A. Balances in bank a/c's		
a. Current Accounts	0.71	9.77
B. Cash on Hand	1.10	8.06
<b>Total</b>	<b>1.81</b>	<b>17.83</b>
<b>7 Other financial assets - Current:</b>		
I. Unsecured, Considered good		
Staff Advances	0.50	-
II. Secured, Considered good		
a. Rent Advances	0.53	0.53
b. Fixed Deposit with Banks	2.00	-
c. Advance to others	147.72	176.39
<b>Total</b>	<b>150.75</b>	<b>176.93</b>
<b>8 Other Current Assets:</b>		
I. Unsecured, Considered good		
a. Advance for purchase of raw material, Stores and Capital Goods	38.77	33.79
b. Balance with Statutory Authorities	54.56	85.69
c. Prepaid Expenses	11.57	2.46
d. Export License Receivable	245.28	245.27
e. Other Advances	30.60	24.01

**Notes forming part of the financial statement as at 31<sup>st</sup> March, 2023** Amount in ₹ Lakhs

PARTICULARS	As at March 31,2023	As at March 31,2022
<b>Total</b>	<b>380.78</b>	<b>391.21</b>
<b>9 Share capital:</b>		
A. <u>Authorised Share Capital:</u>		
50,00,000 Equity Shares of Rs. 10/- each	500.00	500.00
	<b>500.00</b>	<b>500.00</b>
B. <u>Issue Share Capital:</u>		
49,59,577 Equity shares of Rs 10/- each	495.96	495.96
	<b>495.96</b>	<b>495.96</b>
C. <u>Subscribed and paid up capital:</u>		
49,59,577 Equity shares of Rs 10/- each	495.96	495.96
	<b>495.96</b>	<b>495.96</b>
D. <u>Reconciliation of the shares outstanding at the beginning and at the end of year:</u>		
(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. <u>Details of Shareholders holding more than 5% shares in the company:</u>		
(A) Equity Shares:		
a. Sri. Jeetender Kumar Agarwal	In no.s	21,27,269
	In %	42.89%
		21,27,269
		42.89%

**Notes forming part of the financial statement as at 31<sup>st</sup> March, 2023** Amount in ₹ Lakhs

PARTICULARS		As at March 31,2023	As at March 31,2022
b.	Narbada Bai	In no.s 6,24,874	6,24,874
		In % 12.60%	12.60%
c.	Westend Developers Ltd	In no.s 481,000	481,000
		In % 9.70%	9.70%

**10 Other Equity:**

## A. Securities Premium

At the beginning and at the end of the period

**Closing Balance**

243.99	243.99
<b>243.99</b>	<b>243.99</b>

## B. State Subsidy

At the commencement of the year

**Closing Balance**

-	-
-	-

## C. Surplus in Statement of Profit and Loss

a. At the beginning of the period

(+ ) For the current period

b. At the end of the period

(3,485.24)	(4,475.82)
975.85	990.58
<b>(2,509.39)</b>	<b>(3,485.24)</b>

## D. Other Comprehensive Income

On Acturial Gain/(loss) on post employment benefits

a. At the beginning of the period

b. Profit Transferred from the statement of Profit and loss

c. At the end of the period

34.48	34.48
-	-
34.48	34.48

## E. Equity portion on Interest free unsecured loan from Directors

60.36	60.36
-------	-------

**Total**

<b>(2,170.55)</b>	<b>(3,146.40)</b>
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**11 Borrowings - Non Current:**

## A. Term loans-Secured

a. Kotak Mahindra Bank Term Loan

Less: Current maturities

**Sub total**

b. Andhra Bank -I

Less: Current maturities

**Sub total**

469.00	14.87
208.44	14.87
<b>260.56</b>	-
-	14.87
-	14.87
-	-



**Notes forming part of the financial statement as at 31<sup>st</sup> March, 2023** Amount in ₹ Lakhs

PARTICULARS	As at March 31,2023	As at March 31,2022
c. Andhra Bank - II	-	948.97
Less: Current maturities	-	948.97
<b>Sub total</b>	-	-
d. Andhra Bank - III	-	1,178.14
Less: Current maturities	-	1,178.14
<b>Sub total</b>	-	-
e. Andhra Bank - Corporate Loan	-	1,035.68
Less: Current maturities	-	1,035.68
<b>Sub total</b>	-	-
e. Mahindra And Mahindra Financial Services Ltd	-	1.78
Less: Current maturities	-	-
<b>Sub total</b>	-	<b>1.78</b>
<b>TOTAL</b>	<b>260.56</b>	<b>1.78</b>

NOTE:

The above Term Loans are secured by Specific assets on first charge basis and guaranteed by one guarantor.

**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) Kotak Mahindra Bank - Term Loan	21.00%	3
<b>B. Unsecured loans</b>		
<b>Unsecured, Considered good</b>		
(i) Liability component of Unsecured Loan from Directors	1,940.21	416.44
(ii) Inter-corporate Deposits	750.32	1,417.11
<b>Sub total</b>	<b>2,690.54</b>	<b>1,833.54</b>
<b>Total (A+B)</b>	<b>2,951.09</b>	<b>1,835.32</b>

**Notes forming part of the financial statement as at 31<sup>st</sup> March, 2023** Amount in ₹ Lakhs

PARTICULARS	As at March 31,2023	As at March 31,2022
<b>I2 Provisions - Non Current:</b>		
Provision for employee benefits		
a. Leave Encashment (unfunded)	0.67	0.67
b. Provision for Gratuity	8.50	8.50
<b>Total</b>	<b>9.17</b>	<b>9.17</b>
<b>I3 Short term borrowings repayable on demand:</b>		
<b>A. Secured</b>		
(I) Andhra Bank		
Cash Credit	-	594.66
Packing Credit	-	552.53
PCFC Credit	-	0.03
<b>Sub-Total</b>	<b>-</b>	<b>1,147.22</b>
<b>B. Current maturities of long term borrowings</b>		
i). Kotak Mahindra Bank Term Loan	208.44	14.87
ii). Andhra Bank-I	-	-
iii). Andhra Bank -II	-	948.97
iv). Andhra Bank -III	-	1,178.14
v). Andhra Bank - Corporate Loan	-	1,035.68
Less: Loan Repayment Under OTS	-	3,094.30
<b>Sub-Total</b>	<b>208.44</b>	<b>83.36</b>
<b>Total (A+B)</b>	<b>208.44</b>	<b>1,230.58</b>
<b>I4 Trade Payables - Current:</b>		
a. Small and Micro enterprises		15.92
b. Others	2,364.40	2,291.84
<b>Total</b>	<b>2,364.40</b>	<b>2,307.76</b>



**Notes forming part of the financial statement as at 31<sup>st</sup> March, 2023**

Amount in ₹ Lakhs

**14 a) Trade Payables ageing Schedule:**

S. No.	Particulars	Outstanding for following Periods from Due date of Payment						Total as at 31st March, 2023
		Unbilled dues	Less than 6 months	6 months to one year	1-2 years	2-3 years	More than 3 years	
(i)	MSME					-	-	-
(ii)	Others		563.88	585.91	789.50	242.92	182.19	2364.40
(iii)	Disputed dues-MSME	-	-	-	-	-	-	-
(iv)	Disputed dues-Others	-	-	-	-	-	-	-
	<b>TOTAL</b>	-	<b>563.88</b>	<b>585.91</b>	<b>789.50</b>	<b>242.92</b>	<b>182.19</b>	<b>2364.40</b>

**b) Trade Payables ageing Schedule:**

S. No.	Particulars	Outstanding for following Periods from Due date of Payment						Total as at 31st March, 2022
		Unbilled dues	Less than 6 months	6 months to one year	1-2 years	2-3 years	More than 3 years	
(i)	MSME					6.35	9.57	15.92
(ii)	Others			74.13	730.55	297.37	1189.79	2291.84
(iii)	Disputed dues-MSME	-	-	-	-	-	-	-
(iv)	Disputed dues-Others	-	-	-	-	-	-	-
	<b>TOTAL</b>		-	<b>74.13</b>	<b>730.55</b>	<b>303.72</b>	<b>1199.36</b>	<b>2307.76</b>



**Notes forming part of the financial statement as at 31<sup>st</sup> March, 2023** Amount in ₹ Lakhs

PARTICULARS	As at March 31,2023	As at March 31,2022
<b>15 Other financial liabilities - Current:</b>		
Interest accrued		
a. Kotak Mahindra Bank Term Loan	3.35	-
b. Andhra Bank Term Loan	-	497.93
<b>Total</b>	<b>3.35</b>	<b>497.93</b>
<b>16 Other current liabilities:</b>		
a. Advance received against Land sale	7.36	167.61
b. Advance received against sales		52.32
c. Statutory Dues	77.65	94.31
d. Other payables	4.80	930.86
<b>Total</b>	<b>89.80</b>	<b>1,245.10</b>
<b>17 Provisions - Current:</b>		
A. Provision for employee benefits		
a. Salary & Reimbursements	179.10	149.12
b. Contribution to PF & ESI	64.96	51.59
c. Bonus Payable	5.69	5.69
<b>Total</b>	<b>249.75</b>	<b>206.41</b>

PARTICULARS	For the year ended March 31,2023 IndAS	For the year ended March 31,2022 IndAS
<b>18 Revenue from Operations:</b>		
A. Domestic Sales		
a. Yarn	3,006.06	3,470.03
b. Sale of Cotton		4,026.48
c. Sale of Fabric		-
d. Cotton Waste	147.75	34.58
e. Garments	9.48	0.78
f. Job Work Charges Collected	6.01	210.27
B. Export Sales		
Sales of Yarn Merchant	-	214.11
<b>Total</b>	<b>3,169.31</b>	<b>7,956.25</b>

**Notes forming part of the financial statement as at 31<sup>st</sup> March, 2023** Amount in ₹ Lakhs

PARTICULARS	For the year ended March 31,2023 IndAS	For the year ended March 31,2022 IndAS
<b>19 Other Income:</b>		
A. Interest Income on		
a. Security Deposits		0.46
b. Bank Deposits	11.12	-
B. Other Non-operating Income (Net of Expenses)		
a. Commission Received	192.66	-
b. Profit on Sale of Assets	6.85	0.01
c. Rent Received	16.08	81.48
d. Excess Provision /Credit Balance written Back	91.60	3.03
e. Discount Received	4.77	2.72
f. Prior Period Income	0.09	
g. Miscellaneous Receipts		24.05
<b>Total</b>	<b>323.16</b>	<b>111.74</b>
<b>20 Cost of Materials Consumed</b>		
Opening Stock	53.10	12.82
Add : Purchases	1,874.90	3,344.11
Less : Value of Raw materials Returns		15.02
Less: Inventory write off ( shown in other expenses)		-
Less : Value of Raw materials sold		-
Less : Closing Stock	41.24	53.10
<b>Total</b>	<b>1,886.76</b>	<b>3,288.81</b>

PARTICULARS	For the year ended March 31,2023 IndAS	For the year ended March 31,2022 IndAS
<b>21 Changes in inventories of Stock-In-Trade:</b>		
a. Inventory at the beginning of the period		
Yarn	298.96	12.99
Garments	10.89	10.88
Stock-in-Process	44.19	-
Cotton waste	71.19	-
<b>Total</b>	<b>425.23</b>	<b>23.87</b>

**Notes forming part of the financial statement as at 31<sup>st</sup> March, 2023** Amount in ₹ Lakhs

PARTICULARS	For the year ended March 31,2023 IndAS	For the year ended March 31,2022 IndAS
b. Inventory at the end of the period		
Yarn	90.24	298.96
Garments		10.89
Stock-in-Process	20.71	44.19
Cotton waste	0.54	71.19
<b>Total</b>	<b>111.49</b>	<b>425.23</b>
<b>(Increase)/Decrease in Stock</b>	<b>313.74</b>	<b>(401.36)</b>
<b>22 Employee Benefits Expense:</b>		
a. Salaries, Wages and Bonus	168.25	48.28
b. Contribution to Provident Fund	3.17	0.39
c. Staff Welfare Expenses	0.94	3.13
e. Contribution to Employee State Insurance	0.28	0.12
<b>Total</b>	<b>172.63</b>	<b>51.92</b>
<b>23 Finance Costs</b>		
a. Interest on Borrowings	129.08	80.75
b. Interest on MSME	1.44	1.78
c. Other Borrowing costs	4.13	5.49
d. Interest on Others	1.61	
e. Interest on Unsecured loans	104.57	158.38
<b>Total</b>	<b>240.84</b>	<b>246.40</b>
<b>24 Depreciation and amortisation expense:</b>		
a. Depreciation on Property ,Plant and Equipment	168.69	189.01
<b>Total</b>	<b>168.69</b>	<b>189.01</b>

**Notes forming part of the financial statement as at 31<sup>st</sup> March, 2023** Amount in ₹ Lakhs

PARTICULARS	For the year ended March 31,2023 IndAS	For the year ended March 31,2022 IndAS
<b>25 Other expenses:</b>		
A. Power & Fuel		
(i) Electricity Charges	413.65	5.01
B. Stores & spare parts consumption :		
(i) Consumable Stores	69.17	55.20
(ii) Packing Material Consumed	-	0.74
(iii) Freight Charges	7.94	-
C. Payments to the auditor as		
(i) auditor	1.20	1.20
(ii) for taxation matters	0.50	0.50
D. Rent		1.68
E. Repairs to : Buildings	11.85	0.69
: Machinery	1.99	0.15
: Others	0.04	0.80
F. Insurance	8.10	6.43
G. Rates and taxes, excluding, taxes on income	11.67	14.59
H. Printing and Stationery	0.51	0.37
I. Postage, Telegrams and Telephones	2.53	4.46
J. Travelling and Conveyance	9.57	2.65
K. Directors' Sitting Fees	0.62	0.62
L. Advertisement	0.53	0.42
M. Expenses on Sales	18.11	-
N. Legal & Professional Charges	12.65	26.95
O. Vehicle Maintenance	16.41	5.53
P. Bad debts and Debit balance written off	5.80	0.11
Q. Labour Contractors Expenses	83.23	-
R. Miscellaneous expenses	20.36	21.15
S. Job work Charges	85.03	653.38
T. Loss on Sale of Fixed Assets	0.83	-
U. Commission	1.58	
V. Prior period Expenses	35.09	3.71
<b>Total</b>	<b>818.97</b>	<b>806.35</b>

**Notes forming part of the financial statement as at 31<sup>st</sup> March, 2023** Amount in ₹ Lakhs

PARTICULARS	For the year ended March 31, 2023 IndAS	For the year ended March 31, 2022 IndAS
<b>26 Other comprehensive income:</b>		
a. Actuarial Gain/(Losses) on Gratuity Expense for the period	-	-
b. Deferred Taxes on above	-	-
<b>Total</b>	-	-
<b>27 Earnings Per Equity Share:</b>		
a. Total Comprehensive Income for the period	975.85	990.58
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)	<b>19.68</b>	<b>19.97</b>

**28. Retirement Benefit Obligations:**

Particulars	For the year ended March 31, 2023	For the year Ended March 31, 2022
<b>A. Defined Contribution Plan (Expenses):</b>		
Contribution to Provident Fund	3.17	0.16
Contribution to Employee State Insurance	0.29	

**29. Income tax expense and Deferred Taxes:**

Particulars	For the year ended March 31, 2023	For the year Ended March 31, 2022
<u>Income Tax Expense: -</u>		
a. Current Tax		
- Relating to current year	-	-
- Relating to earlier years	-	-
b. Deferred Tax (arising on temporary differences)	-	<b>117.32</b>
<b>Total Tax Expense for the year</b>	-	<b>117.32</b>

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



**Notes forming part of the financial statement as at 31<sup>st</sup> March, 2023** Amount in ₹ Lakhs

Effective Tax Reconciliation: -

a. Net Profit/(Loss) before taxes	975.85	990.58
b. Tax rate applicable to the company as per normal provisions	26%	26%
c. Tax expense on net profit (c = a*b)	<b>253.72</b>	<b>257.55</b>
d. Increase/(decrease) in tax expenses on account of:		
i. Effect of Accelerated Depreciation	32.54	8.74
ii. Effect of expenses not deductible in determining taxable profits	35.49	25.51
iii. Effect for deduction for expenses earlier disallowed	-	(3..80)
iii. Other adjustments	-	-
<b>Net Increase/(decrease) in tax expenses</b>	<b>68.03</b>	<b>30.45</b>

**30. 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, 2023	March 31, 2022	March 31, 2023	March 31, 2022
<b>Financial Assets</b>				
<b>At Fair value through profit &amp; Loss</b>				
Investments in Equity Instruments	-	-	-	-
<b>At Amortised cost</b>				
Loans & Advances	8.09	4.78	8.09	4.78
Trade receivables	102.80	14.23	102.80	14.23
Cash and Bank Balances	1.81	17.83	1.81	17.83
Other Financial assets	150.75	176.93	150.75	176.93
<b>Total Financial Assets</b>	<b>263.46</b>	<b>213.77</b>	<b>263.46</b>	<b>213.77</b>

**Notes forming part of the financial statement as at 31<sup>st</sup> March, 2023** Amount in ₹ Lakhs

Particulars	Carrying Value		Fair value	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
<b>Financial Liabilities</b>				
<b>At Amortised cost</b>				
Borrowings	3133.60	3040.28	3159.54	3065.90
Trade Payables	2364.40	2307.76	2364.40	2307.76
Other Financial liabilities	3.35	497.92	3.35	497.92
<b>Total Financial liabilities</b>	<b>5501.35</b>	<b>5845.96</b>	<b>5527.29</b>	<b>5871.58</b>

**31. 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, 2023:

Particulars	Total Value	Fair Value measurement using		
		Quoted prices inactivemarkets (Level – 1)	Significant observable inputs (Level – 2)	Significant unobservable inputs (Level- 3)
<b><u>Financial Assets:</u></b>				
<b>Designated at Amortised Cost:</b>				
Loans	8.09	-	-	8.09
Trade Receivables	102.80	-	-	102.80
Cash and Bank Balances	1.81	-	-	1.81
Other Financial Assets	165.97	-	-	165.97
Particulars	Total Value	Fair Value measurement using		
		Quoted prices inactivemarkets (Level – 1)	Significant observable inputs (Level – 2)	Significant unobservable inputs (Level- 3)
<b>Financial Liabilities:</b>				
<b>Designated at Amortised Cost:</b>				
Borrowings	3159.54	-	-	3159.54
Trade Payables	2364.40	-	-	2364.40
Other Financial liabilities	3.35	-	-	3.35

**Notes forming part of the financial statement as at 31<sup>st</sup> March, 2023** Amount in ₹ Lakhs

Quantitative disclosures of fair value measurement hierarchy for financial instruments as at March 31, 2022				
Particulars	Total Value	Fair Value measurement using		
		Quoted prices inactivemarkets (Level – 1)	Significant observable inputs (Level – 2)	Significant unobservable inputs (Level- 3)
<b>Financial Assets:</b>				
<b>Designated at Amortised Cost:</b>				
Loans	4.78	-	-	4.78
Trade Receivables	14.23	-	-	14.23
Cash and Bank Balances	17.83	-	-	17.83
Other Financial Assets	176.93	-	-	176.93
Particulars	Total Value	Fair Value measurement using		
		Quoted prices inactivemarkets (Level – 1)	Significant observable inputs (Level – 2)	Significant unobservable inputs (Level- 3)
<b>Financial Liabilities:</b>				
<b>Designated at Amortized Cost:</b>				
Borrowings	3065.90	-	-	3065.90
Trade Payables	2307.76	-	-	2307.76
Other Financial liabilities	497.92	-	-	497.92

**32. 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)	<b>Key Management Personnel</b>	
	<b>Name of the Key Management Personnel</b>	<b>Description of Relationship</b>
	Sri. J. K. Agarwal	Managing Director
ii)	<b>Relatives of Key Management Personnel</b>	
	<b>Name of the relative of Key Management Personnel</b>	<b>Description of Relationship</b>
	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

**Notes forming part of the financial statement as at 31<sup>st</sup> March, 2023** Amount in ₹ Lakhs

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. Aananda Lakshmi Spinning Mills Limited
3. M/s. Suryavanshi Industries Limited
4. M/s. Devshree International Pvt. Ltd
5. M/s. Ishayu Garments
6. Jeetender Kumar Agarwal (HUF)
7. M/s. Moonglade Industries Private Ltd
8. 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, 2023	For the year ended March 31, 2022
<b>i) Purchase of Raw materials and spares</b>		
M/s. Moonglade Industries Private Ltd	-	0.81
<b>ii) Sale of Raw Material, Finished Goods and spares</b>		
M/s. Ishayu Garments	-	143.00
M/s. Devshree International Pvt.Ltd	33.07	417.98
<b>iii) Job Work Income</b>		
M/s. Ishayu Garments	-	34.73
M/s. Devshree International Pvt.Ltd	6.31	186.05
<b>iv) Unsecured loan Received (Net of Repayments)</b>		
M/s. Ishayu Garments	-	644.17
M/s. Devshree International Pvt. Ltd	656.18	134.02
M/s. Sheshadri Power and Infrastructure Pvt Ltd	27.01	51.51
<b>v) Interest on Unsecured Loan</b>		
M/s. Sheshadri Power and Infrastructure Pvt Ltd	-	6.42
M/s. Devshree International Pvt.Ltd	52.39	9.00
<b>vi) Rental Income</b>		
M/s. Devshree International Pvt Ltd	16.08	81.48
<b>vii) Job Work Charges</b>		
M/s. Devshree International Pvt Ltd	87.58	653.38

**Notes forming part of the financial statement as at 31<sup>st</sup> March, 2023** Amount in ₹ Lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>viii) Interest Expenses for advances</b>		
M/s. Ishayu Garments	-	43.20
<b>ix) Commission Income</b>		
M/s. Ishayu Garments	130.08	-
M/s. Devshree International Pvt Ltd	87.62	-

**b) Transactions with Key Managerial Personnel****(i) Remuneration to Key Managerial Personnel**

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
	Short-term Benefits	Post-term Benefits	Short-term Benefits	Post-term Benefits
Sri Jeetender Kumar Agarwal	12.00	-	-	-
Sitting Fees paid to non-executive directors	0.98	-	0.98	-

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

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Sri Jeetender Kumar Agarwal	724.39	390.50

**(iii) Equity portion of Unsecured loan**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Sri Jeetender Kumar Agarwal	-	-

**(iv) Interest on Unsecured loans**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Sri Jeetender Kumar Agarwal	-	-

**c) Transactions with relatives of Key Managerial Personnel**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Shri. Meenal Agarwal	0.88	2.11
Shri. Lata Agarwal	4.53	4.53
Shri. Narbada Agarwal	1.75	2.00

**Notes forming part of the financial statement as at 31<sup>st</sup> March, 2023** Amount in ₹ Lakhs**d) Transactions with Related parties**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
M/s. Suryavanshi Spinning Mills Ltd	Received : - Paid : 30.94	Received : 74.00 Paid : -
M/s. Devshree International Pvt Ltd	Received : 1003.39 Paid : 572.02	Received : 1753.05 Paid : 1202.29
M/s. Ishayu Garments	Received : 306.75 Paid : 150.58	Received : 448.25 Paid : 287.25

**Outstanding balances at the year end**

PARTICULARS	As at March 31,2023	As at March 31,2022
<b>a. Amounts due from related parties</b>		
M/s. Suryavanshi Industries Limited	147.72	161.94
<b>b. Amounts due to related parties</b>		
M/s. Sheshadri Power and Infrastructure Pvt Ltd	27.01	51.51
M/s. Devshree International Pvt.Ltd	1474.52	826.26
M/s. Ishayu Garments	167.59	805.17
M/s. Aananda Lakshmi Spinning Mills Limited	22.67	101.67
M/s. Suryavanshi Spinning Mills Ltd	74.07	105.02
<b>(i) Job Work</b>		
M/s. Ishayu Garments	-	165.94

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

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

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

**i. Market Risk:**

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



**Notes forming part of the financial statement as at 31<sup>st</sup> March, 2023** Amount in ₹ Lakhs

**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.

**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.

**Notes forming part of the financial statement as at 31<sup>st</sup> March, 2023** Amount in ₹ Lakhs

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
<b>As at March 31, 2023</b>				
Borrowings	469.00	2664.60		3133.60
Trade Payables	1149.79	1032.42	182.19	2364.40
Other Financial Liabilities	3.35			3.35
<b>As at March 31, 2022</b>				
Borrowings	750.00	2315.90		3065.90
Trade Payables	1116.47	1045.19	146.10	2307.76
Other Financial Liabilities	79.77	260.24	157.91	497.92

**34. 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, 2023	As at March 31, 2022
Total Borrowings #	3133.60	3065.90
<b>Debt</b>	<b>3133.60</b>	<b>3065.90</b>
Equity	495.96	495.96
Other Equity*	(2170.55)	(3146.40)
<b>Total Equity</b>	<b>(1674.59)</b>	<b>(2650.44)</b>
Debt/Equity ratio	(0.53)	(1.16)

# 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 31<sup>st</sup> March, 2023** Amount in ₹ Lakhs**35. Contingencies and Commitments:**

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Contingent Liabilities</b>		
a. Against Foreign Bills Discounted	-	-
b. Demand raised by Sales Tax Department for the year 2012-13 on subjecting the Entry tax on capital Goods. The matter is pending in before Honorable High court of Madhya Pradesh at Jabalpur	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 before Honorable High court of Madhya Pradesh at Jabalpur	1.96	1.96
<b>Commitments</b>		
a. The Company demerged on 01-04-2013. Before demerger, Suryavanshi Spinning Mills Ltd was a single entity. The land which is presently pledged to Kotak Mahindra Bank against a sanctioned loan was registered in the name of Suryavanshi Spinning Mills Ltd before the demerger. Due to this Bank insisted on three companies i.e., Suryavanshi Spinning Mills Ltd (demerged company) Aananda Lakshmi Spinning Mills Ltd ( Resulting company) Sheshadri Industries Limited (Resulting Company) to sign and issue Corporate Guarantee deed in favor of Kotak Mahindra Bank against sanctioned loan to the Companies. The Company provided a corporate guarantee on behalf of Suryavanshi Spinning Mills Limited in favor of Kotak Mahindra Bank in June 2022 against a short-term loan. As of 31st March 2023, the Companies repaid 80% of the loan amount to the Bank, and the remaining 20% of the loan amount shall repay till September 2023. We further opined/confirmed that financial impact from the above transaction, if any will not be material to the financial statements.	800.00	-



**Notes forming part of the financial statement as at 31<sup>st</sup> March, 2023** Amount in ₹ Lakhs

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

Particulars	As at March 31, 2023		As at March 31, 2022	
	Principal	Interest	Principal	Interest
Amount due to vendor*	-	1.44	15.91	1.78
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.

37. The Company's business activity falls within a single business segment i.e. Textile products, in terms of IND AS 108 on operating segments.
38. The Company has recorded a net Profit of Rs. 975.85 Lakhs for the year ended 31<sup>st</sup> March, 2023 and the accumulated losses of Rs. 2509.63 Lakhs as at 31<sup>st</sup> March 2023, resulting in complete erosion of net worth and current liabilities exceed current assets by Rs. 2037.81 Lakhs. Further, there were lower cash inflows from existing business activities. The Financial Statements have been prepared on a "going concern" basis.
39. The Company Paid Loan amount including proposed interest under OTS scheme to Union Bank of India (formerly Andhra Bank) and received no dues certificate. The company has already filed charge satisfied form to ROC
40. The Company has not provided interest on loan accepted from the directors, promoters or promoters group and other lenders due to the company is facing financial crisis and decrease of textile finished products market price.
41. The company could not obtain confirmation of balances as at 31<sup>st</sup> March,2023 in respect of trade receivables and trade payables and the Company hopes that they would be collected and paid.
42. 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: 25th May, 2023

**Rozie Mukharjee**

Company Secretary

For and behalf of Board of Directors

**Sheshadri Industries Limited**

**J.K.Agarwal**

Managing Director & CFO

**Manish Gupta**

Director



**Notes forming part of the financial statement as at 31<sup>st</sup> March, 2023**

**43 Financial Ratios**

Amount in ₹ Lakhs

Particulars	Numerator	Denominator	As at 31 <sup>st</sup> March, 2023		As at 31 <sup>st</sup> March, 2022		Variance %		
			Numerator	Denominator	Ratios	Numerator		Denominator	Ratios
Current Ratio (no. of times)	Current Assets	Current Liabilities	877.95	2,915.76	0.30	1,172.84	5,487.78	0.21	40.89%
Debit Equity Ratio (no. of times)	Total Debt	Shareholders' Equity	3,159.54	(1,674.59)	(1.89)	3,065.90	(2,650.44)	(1.16)	63.11%
Debt Service Coverage Ration (no. of times)	Earnings available for debt Service	Debt Service	1,379.35	1,022.14	1.35	1,425.98	3,094.30	0.46	192.83%
Return on Equity Ratio (%)	Net Profits after Taxes	Average Shareholders' equity	975.85	(2,162.51)	(0.45)	990.58	(3,145.73)	0.31	-243.30%
Inventory Turnover Ratio (no.of times)	Cost of goods sold (or) sales	Average Inventory	2,200.50	334.39	6.58	6,223.77	295.65	21.05	-68.74%
Trade Receivables Turnover Ratio (no.of times)	Net Credit Sales	Average trade Receivables	3,151.20	58.52	53.85	7,956.25	21.77	365.47	-85.27%
Trade Payables Turnover Ratio (no.of times)	Net Credit Purchases	Average trade Payables	1,874.90	2,336.08	0.80	3,344.11	1749.53	1.91	-58.01%
Net Capital Turnover Ratio (no.of times)	Net Sales	Working Capital	3,151.20	(2,037.81)	(1.55)	7,956.25	(4,314.93)	(1.84)	-16.14%
Net Profit Ratio (%)	Net Profits after Taxes	Net Sales	975.85	3,151.20	0.31	990.58	7,956.25	0.12	148.73%
Return on Capital employed (%)	Earning before Interest and Taxes	Capital Employed	1,216.68	1,493.98	0.81	1,236.98	424.51	2.91	-72.05%
Return on Investment (ROI) (%)	Difference in market value adjusted with net cash flows to equity	Opening market value and sum of (Net cash flow from Equity X Weight of the net cash flow)	-	-	-	-	-	-	-



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**Notes forming part of the financial statement as at 31<sup>st</sup> March, 2023** Amount in ₹ Lakhs

Notes

- a Inventory Turnover Ratio Decrease in Turnover has impacted inventory movement and led to lower Inventory Turnover ratio
- b Debt Coverage Ratio Due to Increase in operating Profits ie. EBDITA during the current period has led to Improve in Debt Coverage ratio
- c Return on Equity Ratio (%) Decrease in Turnover has led to decrease in profit after tax(PAT) impacted Return on Equity during the current Reporting period.
- d Trade Receivables Turnover Ratio (no.of times) Substantial decrease in Revenue From operation has led to increase in trade Recivables turnover Ratio.
- e Trade Payables Turnover Ratio (no.of times) Substantial decrease in Purchase turnover of Raw Material, packing material stores and spares has led to decrease in trade Payables turnover Ratio.
- f Net Capital Turnover Ratio (no.of times) Sales decreased substantially this resulted in variaition in the Ratio above.
- g Return on Capital employed (%) Substantial increase in Borrowings during the current reporing period has led to decrease in the Return on Capital Employed ratio.



**14<sup>TH</sup> ANNUAL GENERAL MEETING**

**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 14<sup>th</sup> Annual General Meeting of the Company to be held on Friday, 22<sup>nd</sup> day of September, 2023 at 10.00 AM 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)
	<b>Ordinary Business</b>			
1	To receive, consider and adopt the Audited Financial Statements for the financial year ended 31 <sup>st</sup> March, 2023 and the Reports of the Directors and Auditors thereon.			
2	To appoint a director in place of Sri Jeetender Kumar Agarwal, who retires by rotation and, being eligible, offers himself for reappointment			
	<b>Special Business</b>			
3	To Authorize the Board to Sell, Lease or otherwise Dispose Undertaking of Company Pursuant To Section 180(1)(A)			
4	To make Investments, Give Loans, Guarantees or Provide Securities Under Section 186 of The Companies Act 2013 To M/S. Ishayu Garments Private Limited (Proposed Subsidiary Company)			



Sl. No.	Particulars	No. of shares held by me	I/we assent to the resolution (FOR)	I/we dissent to the resolution (AGAINST)
5	To Approve the Material Related Party Transactions with Ishayu Garments Private Limited, the proposed Subsidiary Company			
6	To Approve the Lease Agreement to be entered between the Company and M/s. Ishayu Garments Private Limited (Proposed Subsidiary of the Company) for the Property located at NH-47, Pandhurna Taluka, Nagpur-Bhopal Road, Rajna Village, Chindhara District, Madhya Pradesh			
7	To Approve the Related Party Transactions			
8	To Approve the Re-Appointment of Mr. Jeetender Kumar Agarwal (Din-00041946) as the Managing Director of the Company			

Place: Secunderabad

Date: August 08, 2023

\_\_\_\_\_  
Signature of the member



**14<sup>TH</sup> ANNUAL GENERAL MEETING  
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

**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 14th Annual General Meeting of the Sheshadri Industries Limited held on **Friday, 22<sup>nd</sup> day of September, 2023 at 10.00 AM 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



**14<sup>TH</sup> ANNUAL GENERAL MEETING  
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

**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 14<sup>th</sup> Annual General Meeting of the company, to be held on **Friday, 22<sup>nd</sup> day of September, 2023 at 10.00 AM 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:





## SHESHADRI INDUSTRIES LTD.

S I . No.	Particulars	FOR	AGAINST
	<b>Ordinary Business</b>		
1	To receive, consider and adopt the Audited Financial Statements for the financial year ended 31 <sup>st</sup> March, 2023 and the Reports of the Directors and Auditors thereon.		
2	To appoint a director in place of Sri Jeetender Kumar Agarwal, who retires by rotation and, being eligible, offers himself for reappointment		
	<b>Special Business</b>		
3	To Authorize the Board to Sell, Lease or otherwise Dispose Undertaking of Company Pursuant To Section 180(1)(A)		
4	To make Investments, Give Loans, Guarantees or Provide Securities Under Section 186 of The Companies Act 2013 To M/S. Ishayu Garments Private Limited (Proposed Subsidiary Company)		
5	To Approve the Material Related Party Transactions with Ishayu Garments Private Limited, the proposed Subsidiary Company		
6	To Approve the Lease Agreement to be entered between the Company and M/s. Ishayu Garments Private Limited (Proposed Subsidiary of the Company) for the Property located at NH-47, Pandhurna Taluka, Nagpur-Bhopal Road, Rajna Village, Chindhvara District, Madhya Pradesh		
7	To Approve the Related Party Transactions		
8	To Approve the Re-Appointment of Mr. Jeetender Kumar Agarwal (Din-00041946) as the Managing Director of the Company		

Affix Revenue  
stamp

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2023

Signature of Shareholder

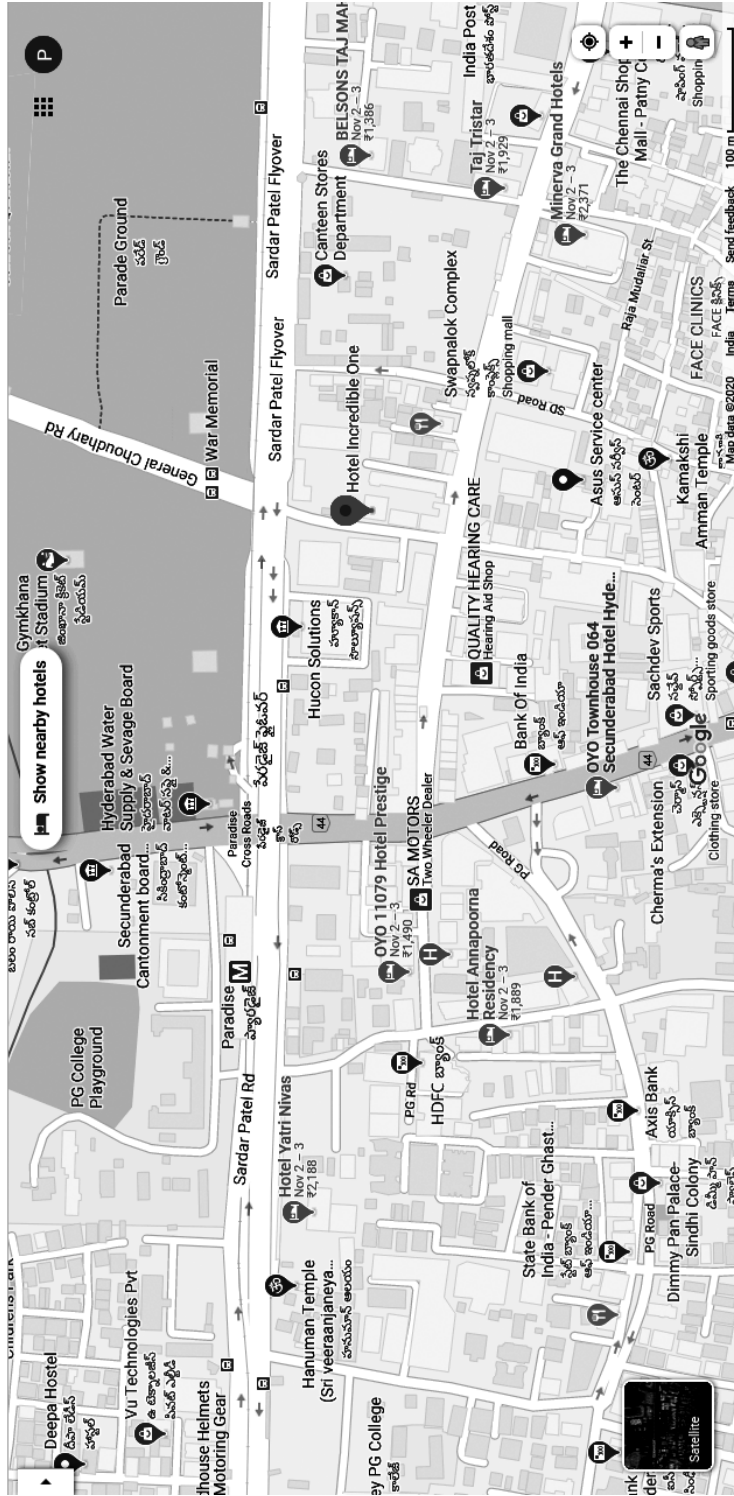
Signature of Proxyholder(s)

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 14<sup>TH</sup> ANNUAL GENERAL MEETING:

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





## SHESHADRI INDUSTRIES LTD.

Registered Office

6th Floor, Surya Towers, 105 =  
S.P.Road, Secunderabad-500003, Telangana

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

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

CIN: L17291TG2009PLC064849

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