



Annual Report 2013-2014



**Sheshadri
Industries Limited**



Contents

	Page Nos
Corporate Information	2
Notice	3
Directors' Report	16
Independent Auditors' Report	21
Balance Sheet	25
Statement of Profit and Loss	26
Notes on Financial Statements	27
Cash Flow Statement	45
Attendance Slip / Proxy Form	47

Important Communication to Members

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



CORPORATE INFORMATION

BOARD OF DIRECTORS

Sri Badrinarayan Agarwal
Sri Jeetender Kumar Agarwal
Sri Surender Kumar Agarwal
Sri Manish Gupta
Smt. Narbada Bai
Sri Rishikesh Agarwal

Chairman (from 18.8.2014)
Managing Director (from 03.09.2014)
Director (from 03.09.2014)
Director (from 06.01.2014)
Director (upto 17.8.2014)
Director (upto 17.8.2014)

Auditors

M/s Brahmayya & Co.
Flat No. 403 & 404
Golden Green Apartments
Irrum Manzil Colony,
Hyderabad - 500082

Audit Committee

Sri Jeetender Kumar Agarwal
Sri Surender Kumar Agarwal
Sri Manish Gupta

Bankers

Andhra Bank
State Bank of Hyderabad
ICICI Bank Limited

Stake Holder Relationship Committee

Sri Jeetender Kumar Agarwal
Sri Surender Kumar Agarwal

Registered Office

6th Floor, Surya Towers, 105, S.P.Road
Secunderabad – 500003
Website: www.sheshadri.in
Email: info@sheshadri.in
CIN: U17291TG2009PLC064849
Phone: 91-40-30512700
Fax: 91-40-30512725/27815135/30512799

Nomination & Remuneration Committee

Sri Badrinarayan Agarwal
Sri Surender Kumar Agarwal
Sri Manish Gupta

Registrar and Share Transfer Agents

Karvy Computer Share Private Limited
Plot No. 17 to 24, Vithalrao Nagar,
Madhapur, Hyderabad – 500081
Tel No. 040-44655000, Fax No. 040-23420814
e-mail : einward@karvy.com

FACTORIES :

Unit I :

SPINNING DIVISION

Rajna, Pandhurna (Tq.), Chindwara (Dist.)
Madhya Pradesh - 480 340.

Unit : II

GARMENT DIVISIONS

Aliabad, Medchal (Tq.)
Ranga Reddy (Dist), Telangana - 500 078

Unit : III

Plot No. 28B, IDA,
Bhongir, Nalgonda Dist.
Telangana - 508 116.



NOTICE

NOTICE is hereby given that the 5th Annual General Meeting of the Members of Sheshadri Industries Limited will be held on Tuesday, 30th September, 2014 at 11.00 A.M. at Gayatri Gardens, Survey No.26, Sikh village, Near Diamond Point Hotel, Secunderabad-500003, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2014 and statement of Profit and Loss & Cash Flow Statement of the Company for the year on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a director in place of Sri Badrinarayan Agarwal, who retires by rotation and, being eligible offers himself for reappointment and in this connection to consider and if deemed fit, to pass with or without modifications(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT Sri Badrinarayan Agarwal having (DIN 0042123), be and is here by re-appointed as a Director of the company, liable to retire by rotation”

3. To appoint Auditors to hold office from the conclusion of this Annual General until the conclusion of the next Annual General Meeting and in this connection, to consider and if thought fit, to pass with or without modification(s), the following Resolution as an ordinary Resolution.

“RESOLVED THAT M/s. Brahmayya & Co., Chartered Accountants (Firm's Registration Number 0005135) be and are hereby appointed as statutory auditors of the company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting at a remuneration to be decided by the Board of Directors of the Company”.

4. **TO CONSIDER, AND IF THOUGHT FIT, TO PASS THE FOLLOWING RESOLUTION WITH OR WITHOUT MODIFICATION(S) AS A SPECIAL RESOLUTION:**

“RESOLVED THAT subject to the provisions of sections 196, 197, 203 and 152 and other applicable provisions if any of the Companies Act, 2013 and Companies (appointment and remuneration

of managerial personnel) rules, 2014 read with schedule V thereof as amended upto date, and subject to such other approvals as may be required consent of the Company be and is hereby accorded to the appointment of Sri Jeetender Kumar Agarwal (DIN : 00041946) as Managing Director for a period of three years from 03.09.2014 to 02.09.2017 whose term of office is liable to retire by rotation, on the following terms and conditions :

- a) Basic Salary: Rs. 1,65,000/- per month
- b) Commission: @ 1% (one percent) of Net Profits of the Company or 50% of the basic salary, whichever is less.
- c) Perquisites: In addition to salary and commission as stated above Sri Jeetender Kumar Agarwal, shall be entitled to the following perquisites.

PART – A

- i) Rent free furnished residential accommodation with all facilities and amenities including such services such as gas, electricity, water etc. or House Rent Allowance to the extent of 40% of the basic salary whichever is higher.
- ii) Medical Reimbursement: Reimbursement of medical expenses for self and family subject to a ceiling of one month's basic salary in a year or three month's basic salary over a period of three years.
- iii) Leave Travel Concession: For self and family once in a year in accordance with the Rules of the Company.
- iv) Fees of clubs: Subject to a maximum of two clubs provided that no life membership or admission fees is paid.
- v) Personal Accident Insurance: Premium not to exceed Rs. 15000/- (Rupees Fifteen Thousand) per annum.

PART – B

- i) Contribution to Provident Fund, Superannuation Fund or Annuity Fund as per the Rules of the Company, if any.
- ii) Gratuity payable shall not exceed half a month's basic salary for each completed year of service.



PART – C

Provision of car for use of Company's business and telephone and other communications at residence.

Resolved further that Sri Jeetender Kumar Agarwal when reappointed as Director immediately on retirement by rotation, shall continue to hold his office of Whole Time Director and such re-appointment shall not be deemed to constitute a break in his appointment as Whole Time Director of the company.

FURTHER RESOLVED THAT where in any financial year during the currency of tenure of Sri Jeetender Kumar Agarwal, Managing director, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary, perquisites and allowances, as specified above as a minimum remuneration subject to provisions of Schedule V of the Companies Act, 2013".

5. TO APPOINT SHRI MANISH GUPTA (DIN: 00526638) AS AN INDEPENDENT DIRECTOR AND IN THIS REGARD TO CONSIDER AND IF THOUGHT FIT, TO PASS, WITH OR WITHOUT MODIFICATION(S), THE FOLLOWING RESOLUTION AS AN ORDINARY RESOLUTION.

'RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri Manish Gupta (DIN: 00526638), who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5(five) consecutive years w.e.f. September 30,2014 to September 29,2019".

6. TO APPOINT SHRI SURENDER KUMAR AGARWAL (DIN: 00281576) AS AN

INDEPENDENT DIRECTOR AND IN THIS REGARD TO CONSIDER AND IF THOUGH FIT, TO PASS, WITH OR WITHOUT MODIFICATION(S), THE FOLLOWING RESOLUTION AS AN ORDINARY RESOLUTION.

'RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri Surender Kumar Agarwal (DIN: 00281576), who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5(five) consecutive years w.e.f. September 30,2014 to September 29,2019".

7. TO CONSIDER, AND IF THOUGHT FIT, TO PASS THE FOLLOWING RESOLUTION WITH OR WITHOUT MODIFICATION(S) AS A SPECIAL RESOLUTION:

Adoption of new articles in substitution of old.

"RESOLVED THAT pursuant to the provisions of Section 14 and other applicable provisions of the Companies Act, 2013 the regulations contained in the draft Articles of Association submitted to this meeting, and for the purpose of identification initialed by the Chairman thereof, be and are hereby approved and adopted as the Articles of Association of the Company in substitution for, and to exclusion of, all the existing Articles of Association of the Company.

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."



8. TO CONSIDER, AND IF THOUGHT FIT, TO PASS THE FOLLOWING RESOLUTION WITH OR WITHOUT MODIFICATION(S) AS A SPECIAL RESOLUTION:

“RESOLVED THAT the consent of the Company be and is hereby accorded in terms of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 to the Board of Directors of the Company to raise or borrow from time to time from the Company’s Bankers or Financial Institutions or from elsewhere on such terms and conditions as to repayment or interest or otherwise as it thinks fit, such sums as may be necessary for the purpose of the Company’s business in excess of the paid up capital and free reserves of the Company, that is to say the reserves not set apart for any specific purpose provided however, that the total amount of such borrowings together with the monies already borrowed (apart from temporary loans obtained from the Company’s bankers in the ordinary course of business) in aggregate shall not exceed at any one time a sum of Rs. 200 crores (Rupees two hundred crores only).”

9. TO CONSIDER, AND IF THOUGHT FIT, TO PASS THE FOLLOWING RESOLUTION WITH OR WITHOUT MODIFICATION(S) AS A SPECIAL RESOLUTION:

“RESOLVED THAT pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), and that of the Articles of Association of the Company, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (“the Board”) to hypothecate/mortgage and/or charge and/or encumber in addition to the hypothecations/mortgages and/or charges and/or encumbrances if any created by the Company, in such form and manner and with such ranking and at such time(s) and on such terms as the Board may determine, all or any part of the movable and/or immovable properties of the Company wherever situated both present and future, and/or create a charge, mortgage /floating charge on all or any part of the movable and immovable properties of the Company and the whole or any part of the undertaking(s) of the Company, together with power to take over the management of the business

and concern of the Company in certain events of default, in favour of the Company’s Bankers/ Financial Institutions/other investing agencies and trustees for the holders of Debentures/Bonds/ other instruments/securities to secure any Rupee/ Foreign currency Loans, Guarantee assistance, Standby Letter of Credit/Letter of Credit, and/or any issue of Non-Convertible Debentures, and/ or Compulsorily or Optionally, Fully or Partly Convertible Debentures and/ or Bonds, and/ or any other Non-Convertible and/ or other Partly/ Fully Convertible instruments/securities, whether availed by the Company or by others, within the overall ceiling prescribed by the members of the Company, in terms of Section 180(1)(c) of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds and things and to take all such steps as may be necessary for the purpose of giving effect to this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any Committee of Directors or any one or more Directors of the Company.”

10. TO APPROVE THE MATERIAL RELATED PARTY CONTRACT FOR TAKING ON LEASE THE INDUSTRIAL SHED FROM RELATED PARTY, AND IN THIS REGARD TO CONSIDER, AND IF THOUGHT FIT, TO PASS THE FOLLOWING RESOLUTION WITH OR WITHOUT MODIFICATION(S) AS A SPECIAL RESOLUTION:

“RESOLVED THAT the Company do hereby approve in terms of Section 188 of the Companies Act, 2013 and other applicable provisions, if any, and rules there under read with the revised clause 49 VII of the listing Agreement, to take on lease of land situated in Plot No 28/B in Survey No 860 together with Industrial Shed situated at IDA, Bhongir Town & Mandal, Nalgonda District, Telangana at a lease rental of Rs.18,00,000/- per annum with increase of 5% lease rentals for each completion of year as approved by Board of Directors for a period of three years from 1st October, 2014 to 30th September, 2017 from Smt. Meenal Agarwal & Sri Devansh Agarwal resident of H.NO.8-2-293/82/A/547, Road No 27, Jubilee



Hills, Hydereabad-500033 who are related to Sri Jeetender Kumar Agarwal and Sri Badrinaryan Agarwal directors of the Company.

11. TO APPROVE THE MATERIAL RELATED PARTY CONTRACT FOR SALE OF GARMENTS WITH FORTUNE EAGLE (HK) TRADING LIMITED, AND IN THIS REGARD TO CONSIDER, AND IF THOUGHT FIT, TO PASS THE FOLLOWING RESOLUTION WITH OR WITHOUT MODIFICATION(S) AS A SPECIAL RESOLUTION:

“RESOLVED THAT pursuant to the provisions of Section 188 of Companies Act 2013 revised Clause 49 VII of the Listing Agreement (effective from October 1, 2014), the approval of the Company be and is hereby accorded to the Board of Directors, to enter into contract for Sale of Garments with Fortune Eagle (HK) Trading Limited and a ‘related party’ as defined under Section 2(76) of the Companies Act, 2013 and Clause 49-VII(B)(2) of the Listing Agreement relating to Sale of Garments for an estimated amount upto Rs. 200 crores during a financial year on such terms and conditions as may be mutually agreed upon between the Company and Fortune Eagle (HK) Trading Limited”

“RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to decide upon the nature and value of the contract of Rs. 200 crores to be transacted with Fortune Eagle (HK) Trading Limited within the aforesaid limits”.

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

12. TO APPROVE THE MATERIAL RELATED PARTY CONTRACT FOR MANUFACTURING OF READYMADE GARMENTS THROUGH M/S VENKATESWARA APPARELS, HYDERABAD, AND IN THIS REGARD TO CONSIDER, AND IF THOUGHT FIT, TO PASS THE FOLLOWING RESOLUTION WITH OR WITHOUT MODIFICATION(S) AS A SPECIAL RESOLUTION:

“RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions of the

Companies Act, 2013 and rules made thereunder read with revised Clause 49 VII of the Listing Agreement (effective from October 1, 2014), the approval of the Company be and is hereby accorded to the Board of Directors, to enter into contract for manufacturing of readymade Garments through M/s Venkateswara Apparels, Hyderabad and a ‘related party’ as defined under Section 2(76) of the Companies Act, 2013 and Clause 49-VII(B)(2) of the Listing Agreement relating to manufacturing of readymade Garments for an estimated amount upto Rs. 10 crores during a financial year on such terms and conditions as may be mutually agreed upon between the Company and M/s. Venkateswara Apparels, Hyderabad.”

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to decide upon the nature and the value of contract for Rs. 10 crores to be transacted with M/s Venkateswara Apparels, Hyderabad within the aforesaid limits”.

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

13. TO APPROVE THE MATERIAL RELATED PARTY CONTRACT FOR MANUFACTURING OF READYMADE GARMENTS THROUGH M/S AADYA GARMENTS, NALGONDA, AND IN THIS REGARD TO CONSIDER, AND IF THOUGHT FIT, TO PASS THE FOLLOWING RESOLUTION WITH OR WITHOUT MODIFICATION(S) AS A SPECIAL RESOLUTION:

“RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions if any of the Companies Act, 2013 and rules made thereunder read with revised Clause 49 VII of the Listing Agreement (effective from October 1, 2014), revised Clause 49 VII of the Listing Agreement (effective from October 1, 2014), the approval of the Company be and is hereby accorded to the Board of Directors, to enter into contract for manufacturing of readymade Garments with M/s Aadya Garments, Nalgonda and a ‘related party’ as defined under Section 2(76) of the Companies Act, 2013 and Clause 49-VII(B)(2) of the Listing



Agreement relating to manufacturing of readymade Garments for an estimated amount upto Rs.10 crores during a financial year on such terms and conditions as may be mutually agreed upon between the Company and M/s Aadya Garments, Nalgonda.”

“RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to decide upon the nature and value of the contract for Rs.10 crores to be transacted with M/s Aadya Garments, Nalgonda.”

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

14. TO APPROVE THE MATERIAL RELATED PARTY CONTRACT FOR PURCHASE OF COTTON KAPPAS FROM SURYAVANSHI INDUSTRIES LIMITED, AND IN THIS REGARD TO CONSIDER, AND IF THOUGHT FIT, TO PASS THE FOLLOWING RESOLUTION WITH OR WITHOUT MODIFICATION(S) AS A SPECIAL RESOLUTION:

“RESOLVED THAT pursuant to the provisions of Section 188 of Companies Act 2013 and revised Clause 49 VII of the Listing Agreement (effective from October 1,2014), the approval of the Company be and is hereby accorded to the Board of Directors, to enter into contract for the purchase of Cotton kappas from Suryavanshi Industries Limited a ‘related party’ as defined under Section 2(76) of the Companies Act, 2013 and Clause 49-VII(B)(2) of the Listing Agreement for an estimated amount upto Rs. 20 crores during a financial year on such terms and conditions as may be mutually agreed upon between the Company and Suryavanshi Industries Limited”

“RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to decide upon the nature and value of the Rs.200 crores to be transacted with Suryavanshi Industries Limited within the aforesaid limits”.

“RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby also

authorized to do all such acts, matters, deeds and things as may be necessary to give effect to the above resolution.”

15. TO CONSIDER, AND IF THOUGHT FIT, TO PASS THE FOLLOWING RESOLUTION WITHOR WITHOUT MODIFICATION(S) AS AN ORDINARY RESOLUTION:

“RESOLVED THAT the Company do hereby approve in terms of Section 148 of the Companies Act 2013 and Rule 4 of the Companies (Audit & Auditors) Rules , 2014 , the remuneration of Rs. 25000/- (Rupees Twenty Five Thousand only) plus out of pocket expenses payable to Ms. Aruna Prasad, Cost Accountant for the cost audit to be conducted by her of the cost records of the Company for the financial year 2014 – 15.

16. TO CONSIDER, AND IF THOUGHT FIT, TO PASS THE FOLLOWING RESOLUTION WITHOR WITHOUT MODIFICATION(S) AS AN ORDINARY RESOLUTION:

“RESILVED THAT pursuant to the provisions of Section 181 of the Companies Act,2013 and other applicable provisions ,if any, the permission of the company be and is here by accorded to the Board of Directors of the company to contribute on behalf of the company to bonafide, charitable and other funds any amounts notwithstanding that the aggregate of which will in any financial year may exceed 5% of Company’s average net profits for the three immediately preceding financial years however subject to a ceiling of Rs 5,00,000/- during a financial year.”

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds and things and to take all such steps as may be necessary for the purpose of giving effect to this resolution.

By order of the Board

For Sheshadri Industries Ltd

Jeetender kumar Agarwal
Managing Director

Place : Secunderabad
Date : 03.09.2014



NOTES:

1. The register of members and share transfer books will be closed from Monday 29th September, 2014 to Tuesday 30th September 2014 (both days inclusive) for the purpose of Annual General Meeting .
2. A member entitled to attend the meeting is entitled to appoint a proxy to attend and vote 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.
A member holding more than 10% of the total share capital may appoint a single person as Proxy and such person shall not act as Proxy for any other person or member.
3. The Instrument appointing the proxy should be deposited at the registered office of the company not less than forty eight hours before the commencement of the meeting.
4. The shareholders desiring any further information as regards the accounts are requested to write to the Company so as to reach it at least one week prior to the date of the meeting for consideration of the management to deal at the meeting.

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

Item No 2.

Sri Badrinarayan Agarwal, commerce Graduate is the promoter and founder of the Surya Group and is also instrumental in floating the other companies and has vast knowledge of textile industry for more than 5 decades and his experience and guidance is considered vital to the company's growth. Sri Badrinarayan Agarwal being promoter Director is liable to retirement by rotation and offers himself for appointment. In view of his rich experience the Board recommends his appointment subject to retirement by rotation. He is presently executive chairman of Suryavanshi spinning Mills Ltd .

Names of other public limited companies in which he is a Director.

1. Suryavanshi spinning Mills Ltd
2. Aananda Lakshmi Spinning Mills Ltd

He holds 222747 shares in the company as on 03.09.2014

Sri Badrinarayan Agarwal is interested in the resolution as it is pertaining to his own appointment. Further, Sri Jeetender Kumar Agarwal being is relative to the above Director is also deemed to be interested in the above resolutions. None of the other directors /key Managerial Personnel of the Company / their relatives is in way concerned or interested, financially or otherwise in the above resolutions.

Item No. 3

M/s K.S.Rao & Co., Chartered accountants Hyderabad bearing Registration no 003109S the auditors of the company expressed their unwillingness due to their other commitments to consider to be reappointed as auditors of the company at the 5th Annual General Meeting of the Company.

In view of the above the Board at their meeting held on 03.09.2013 appointed M/s Brahmayya & Co., bearing Registration No. 000513S as auditors of the company subject to your approval at the ensuing Annual General Meeting. M/s. Brahmayya & Co. Chartered Accountants if appointed shall be in office from the conclusion of 5th Annual General Meeting of the company until the conclusion of 6th Annual General Meeting of the Company.

The Board recommends the resolution for your approval.

None of the other directors /key Managerial Personnel of the Company / their relatives is in way concerned or interested, financially or otherwise in the above resolution.



Item No. 4

Sri Jeetender Kumar Agarwal has been appointed as Managing Director of the Company by the Board for a period of 3 years w.e.f. 03.09.2014 on remuneration of Rs.165000/- P.M. PLUS all applicable perquisites.

Sri Jeetender Kumar Agarwal is one of the promoter directors of Suryavanshi spinning mills ltd and has vast knowledge of textile industry for more than 22 years and his experience and guidance is considered vital to the company's growth. He is the executive director of Suryavanshi Spinning Mills Ltd. In the process of reorganization of units Sri Jeetender Kumar Agarwal will head the Yarn units of Rajna, Madhya Pradesh and Garments divisions situated in Telangana, as per scheme of Arrangement approved by the Hon'ble High Court At Hyderabad .

The above appointment was made subject to approval of members and such other approvals as may be required :

Sl.No.	Name	Period	Remuneration (Rs.) per month (proposed)
I	Sri Jeetender Kumar.Agarwal	From third Septemeber 2014 to Second September 2017	Rs.1,65,000/- P.M. Plus 40% HRA and with usual allowances and prerequisites.

Perquisites have been detailed in the resolution no. 4 these remunerations are further subject to the ceilings mentioned in Schedule V of the Companies Act, 2013.

The above appointment an remuneration have been approved by the Nomination and Remuneration Committee.

Sri Jeetender Kumar Agarwal is interested in the resolution to the extent of remuneration. Further Sri B.N. Agarwal being related to the above Director is also deemed to be interested in the above resolutions. None of the other directors /key Managerial Personnel of the Company / their relatives is in way concerned or interested, financially or otherwise in the above resolutions.

Board commends this special Resolutions for your approval.

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

I. Nature of Industry

Consequent to the demerger approved by the Hon'ble High Court at Hyderabad vide their order dated 30.07.2014 Spinning unit at Rajna, Madhya Pradesh and two garments divisions situated at Bhongir and Aliabad in the state of Telangana of Suryavanshi Spinning Mills Limited have been demerged and vested with the Sheshadri Industries Ltd (Resulting company-2) on a going concern basis with the appointment date as 01.04.2013. In view of the above Sheshadri Industries Ltd is deemed to have been engaged in the business of manufacture of cotton, blended, polyester, polyester viscose blended yarns and with spindleage of 34608 spindles and also manufacture of Ready Made Garments of 10000 pieces of per day.

2. Date of commencement of commercial production : N.A.

In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus : N.A.

3. Financial performance based on given indicators :

As per the Financial Statements and other documents forming part of the Annual Report 2013-14.

4. Export performance and net foreign exchange earnings:

As per the Financial Statements and other documents forming part of the Annual Report 2013-14.

5. Foreign investments or collaborators, if any.

As per the Financial Statements and other documents forming part of the Annual Report 2013-14.

At present the Company does not have any Collaboration, either technical or financial.



II. Information about the appointee:

I. Background details :

Sl. No.	Name of the Appointee, Qualification	Past Salary drawn by Appointee	Job Profile, Achievement and Suitability.
I	Sri Jeetender Kumar Agarwal, B.E.Textiles	Rs.28.41 Lacs	He is a Textile Engineer having vast experience in Procurement, construction, installation and commissioning of the Spinning Units. Associated with Groups for last 22 Years as Executive Director. In addition to the above 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.

2. Recognition or awards : Nil

3. Remuneration proposed :

It is proposed to pay the remuneration as proposed in the Resolution at item No. 4.

4. 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 w.r.t. the country of his origin):

Compared to the remuneration profile of position and person with respect to this industry and size, he is entitled to the remuneration mentioned in the resolution at Item No. 4.

5. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any :

Sri B.N Agarwal, Chairman is the core promoter of the Surya Group is the father of Sri J.K.Agarwal, Managing Director. Other than the direct pecuniary relationship by way of remuneration from the company, they are deemed to have an indirect pecuniary relationship with the companies, firms, persons and entities which are mentioned in the related party contracts mentioned in the this Annual General Meeting Notice.

III. Other information:

I Reasons for inadequate profits

The company earned inadequate profits due to increase in cost of raw material and other operational cost. During the first half year there were production disturbances on account of on going expansion programme and it took time to stabilise the production.

2. Steps taken or proposed to be taken for improvement

The Company has got 25200 spindles of spinning capacity at its spinning unit at Rajna, Madhya Pradesh, with a capital investment of Rs. 35.30 crores earlier Company has drawn expansion, modernization and value addition programme involving addition of 9408 spinning capacity and installation of other value added machines etc., with a capital cost of Rs. 34.13 crores. The implementation of addition of 9408 spindles is in progress. Continuing that programme, Company has proposed to add valued added machinery like TFO combers machines etc., in order to improve quality and quantity and to reduce labour cost since these machines are less labour intensive. On account of this measures being taken by the Company, the performance is going to be improved over a period of time.

3. Expected increase in productivity and profits in measurable terms.

Company is poised to increase turnover by around 10% and the company is expected to achieve reasonable profits.

Board of Directors recommends the resolutions stated at Item No. 4 of the Notice for your approval.



Except Sri B.N. Agarwal, Chairman, Sri. J.K. Agarwal, Managing Director and their relatives. No other Director/ Key managerial personnel / their relatives of the Company is any way financially otherwise is interested / concerned in the above resolution.

Item Nos 5 & 6

Sri Manish Gupta & Sri Surender Kumar Agarwal were appointed by the Board of Directors as additional directors in terms of Section 161 of the Companies Act of 2013 (Act). In terms of the said section Sri Manish Gupta & Surender Kumar Agarwal shall hold office upto the ensuing Annual General Meeting of the Company. The above Directors being eligible offer themselves for re appointment.

Notices in writing under Section 160 of the Act have been received from a member signifying his intention to propose Sri Manish Gupta & Surender Kumar Agarwal as Directors of the Company along with the requisite amount of deposit as required under the provisions of Section 160 of the Companies Act 2013 which will be refunded to the member if Sri Surender Kumar Agarwal & Sri Manish Gupta are elected as Directors.

Since the company's shares are proposed to be listed in the BSE Limited the company is also required to comply with the listing Agreement of the BSE Limited. Pursuant to the provisions of section 149 of the Companies Act, 2013 which came into effect from April 1, 2014 every listed public company is required to have at least one-third of the total number of directors as independent directors, who are not liable to retire by rotation.

Sri Surender Kumar Agarwal, and Sri Manish Gupta non-executive directors of the Company, have given a declaration to the Board that they meet the criteria of independence as provided under section 149(6) of the Act, in the opinion of the Board, each of these directors fulfill the conditions specified in the Act and the Rules framed there under for appointment as Independent Director and they are independent of the management.

In compliance with the provisions of section 149 read with Schedule IV of the Act, the appointments of Sri Manish Gupta and Sri Surender Kumar Agarwal as Independent Director are now being placed before the Members for their approval.

The terms and conditions of appointment of the above Directors shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day.

A brief profile of the promoter and Independent Directors to be appointed is given below.

5. Sri Manish Gupta

Sri Manish Gupta, Commerce Graduate has vast experience in the Civil & Construction activities. He has successfully completed construction of projects of Commercial, Industrial and Residential nature Villas for Advantage Raheja Group at Shamirpet, Villas for Babu Khan Properties at Kokapet, Industrial RCC shed for Pankaj Polytec, Villas for CSK Realtors, Residential Apartments for Maruti Rich Ventures, Villas for Sri Sai Constructions at Narsingi, Industrial Shed for VinsBiotec at Thimmapur. He is also director of the following companies.

He does not hold any shares as on 31.03.2014 in the Company.

1. BMG Constructions Private Limited
2. Sheshadri Power and Infrastructure Private Limited
3. Sixth Sense Learning Strategies Private Limited
4. Ananda Lakshmi Spinning Mills Limited
5. Suryavanshi Spinning Mills Limited

Except Sri Manish Gupta, None of the other directors / key Managerial Personnel of the Company / their relatives is any way concerned or interested, financially or otherwise in the above resolution.

6. Sri Surender Kumar Agarwal

Sri Surender Kumar Agarwal, Graduate in commerce has industrial experience of more than a decade. He is a promoter Director of Nikhil Granites (P) Ltd and has been successfully running this company for the last 11 years.



He is also Managing Director of Smartech Marketing pvt ltd. He is a member of Audit Committee, Nomination & Remuneration committee and Stakeholders Relationship Committee of Suryavanshi Spinning Mills Ltd.

Names of the other companies in which he is a Director.

1. Suryavanshi Spinning Mills. Ltd.
2. Aananda Lakshmi Spinning Mills Ltd.
3. Nikhil Granites (P) Ltd
4. Smartech Marketing pvt ltd

And he does not hold any shares in the company as on 31st March, 2014

Except Sri Surender Kumar Agarwal, None of the other directors /key Managerial Personnel of the Company / their relatives is in any way concerned or interested, financially or otherwise in the above resolution.

Item No. 7

Since the incorporation of the Company in 2009, the Company's Articles of Association have undergone several changes. Many of the provisions contained in the articles are not in conformity with the new provisions of the Companies Act, 2013, and your Directors consider it desirable to take this opportunity of adopting new Articles of Association which would not only be in conformity with the provisions of the new Act and the various Rules made there under but also with the requirements of the Stock Exchanges with which the Company's shares are proposed to be listed.

The new Articles of Association to be substituted in place of the existing Articles of Association are based on Table "F" of the Act which sets out the model Articles of Association for a Company limited by shares. Shareholders' attention is invited to certain salient provisions in the new draft Articles of Association of the Company viz :

- a. Company's lien now extends also to bonuses declared from time to time in respect of shares over which lien exists ;
- b. the nominee(s) of a deceased sole member are recognized as having title to the deceased's interest in the shares ;
- c. new provisions regarding application of funds from reserve accounts when amounts in reserve accounts are to be capitalized ;
- d. existing articles have been streamlined and aligned with the Act ;

A copy of the draft of the new Articles of Association is available for inspection of the members at the Company's Registered Office on any working day during business hours.

None of the Directors / Key Managerial Personnel / their relatives are interested in the item no. 7 of the Notice.

The Board commends the Special Resolution set out at item no. 7 of the Notice for approval by the shareholders.

Item Nos. 8 & 9

Sanction of borrowing limits upto Rs.200 Crores under section 180(1)(C) of the Companies Act, 2013

Company is required to borrow money to meet its business purposes to in excess of aggregate of paid up capital and free reserves of the company.

Under Section 180(1)(C) of the Companies Act, 2013 effective from 12th September, 2013 requires that the Board of Directors shall not borrow money in excess of the company's paid up share capital and free reserves, apart from temporary loans obtained from the company's bankers in the ordinary course of business, that is to say, reserves not set



apart for any specific purpose except with the consent of the company accorded by way of a special resolution.

With the Company's on going business plans for expansion and diversification, your Board thinks it necessary to acquire this power.

It is therefore, necessary for the members to pass a Special Resolution under Section 180(1)(C) and other applicable provisions of the Companies Act, 2013, as set out at Item No. 8 of the Notice, to enable to the Board of Directors to borrow money in excess of the aggregate of the paid up share capital and free reserves of the Company. Approval of members is being sought to borrow money upto Rs.200 Crores (Rupees Two Hundred Crores) in excess of the aggregate of the paid up share capital and free reserves of the Company.

In the Scheme of Arrangement between Suryavanshi Spinning Mills Ltd and company, yarn unit situated in the state of Madhya Pradesh and Garments divisions in the state of Telangana were transferred and vested with Sheshadri Industries Ltd on a going concern basis the appointed date as 01.04.2014 and your company may be required to create separate charges and mortgages in favour of the Banks and Financial Institutions to the extent of the secured loans apportioned to the company.

The proposed borrowings of the Company and also due to the Scheme of Arrangement by way of demerger sanctioned by High court, Company is required to create charge/ mortgage and hypothecation on the Company's assets in favour of the lenders as mentioned in the resolutions. As the documents to be executed between the lenders/security holders/ trustees for the holders of the said securities and the company may contain provisions to charge/dispose of substantial assets of the Company in certain events, it is necessary to pass a resolution under Section 180(1)(a) of the Act, for creation of charges/mortgages/hypothecations for an amount not exceeding Rs. 200 crores. Mortgage of a property prima-facie is not a disposition of the undertaking and hence provisions of Section 181(1) (a) is not applicable as per circular letter no 8/19 (292)/64-PR dated 21st July 1964 on the requirement of banks/institutions we are seeking members approval for creation of mortgage over the companies properties.

The above proposals are in the best interest of the Company and the Directors recommend the resolutions for approval of the Members.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 8 & 9.

Item Nos. 10, 11, 12, 13 & 14

In terms of proviso of section 188 of the companies Act, 2013 and Clause 49-VII(C) of the Listing Agreement, the contracts/ arrangements/transactions relating to sale of Garments, purchase of Cotton Kappas and lint & obtaining the facilities of manufacturing of readymade garments and also obtaining the industrial shed on lease from the under mentioned related parties as defined under Section 2(76) of the Companies Act, 2013 and Clause 49-VII(B)(2) of the Listing Agreement requires the approval of unrelated members of the Company by way of special resolution. As these transactions are material in nature, are likely to exceed the limits prescribed under Companies Act, 2013 as per the last audited financial statements of the Company and as part of good corporate Governance the contracts/arrangements/transactions and its monetary terms and monetary value of the contracts with the under mentioned related parties requires the approval of unrelated shareholders of the Company by a special resolution.

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

Sl. No	Name of the related party	Nature of transaction	Persons interested in the related party
I.	Smt Meenal Agarwal & Mr. Devansh Agarwal	Taking land & Industrial shed on lease	Smt. Meenal Agarwal & Mr. Devansh Agarwal relatives of Mr. Jeetender Kumar Agarwal are the owners of the land and industrial shed in which the Garment division of Bhongir unit is being run.



2.	Fortune Eagle (HK) Trading Limited	Sale of Garments not exceeding Rs 200 crores in a financial year	Mr. Devansh Agarwal S/o Mr. Jeetender Kumar Agarwal is the sole director and holds entire share holding (ie 1 Hankong Dollar) of the related party. Mr. Jeetender Kumar Agarwal & Mr. Badrinarayan Agarwal are common directors in the Sheshadri Industries Limited
3.	M/s Venkateshwara Apparels, Hyderabad	Conversion of fabric into readymade garments on job work basis not exceeding an amount of Rs 10 crores in a financial year	Mr. Jeetender Kumar Agarwal is the sole proprietor of the related party. Mr. Badrinarayan Agarwal who is the father of Mr. Jeetender Kumar Agarwal also the director in the Sheshadri Industries Limited
4.	M/s Aadya Garments, Nalgonda	Conversion of fabric into readymade garments on job work basis not exceeding an amount of Rs 10 crores in a financial year	Smt. Meenal Agarwal w/o Sri Jeetender Kumar Agarwal & Mr. Devansh Agarwal S/o. of Mr. Jeetender Kumar Agarwal are the partners of the related party.
5.	Suryavanshi Industries Limited	Purchase of Raw Materials such as Cotton kappas and lint not exceeding Rs 20 crores in a financial year	Mr. Rajender kumar Agarwal, Sri Jeetender Kumar Agarwal and Sri Devender Kumar Agarwal are the directors of the related party. Further entire shareholding of the related party is held by the above referred directors and their relatives.

In Pursuant to Section 102(1) of the Companies Act, 2013, the extent of share holding of Directors, Key Managerial Personnel (KMP) and their relatives in Suryavanshi Industries Limited is provided below:

S.No.	Name of the Director /KMP/Relatives	Designation	Shares	As a %
1	Badrinarayan Agarwal	Promoter	335000	9.99
2	Badrinarayan Agarwal HUF	Promoter	35000	1.04
3	Smt Narbada Bai	Promoter	360100	10.74
4	Sri Rajender Kumar Agarwal	Director	135000	4.03
5	Smt Yamuna Devi Agarwal	Wife of Sri Rajender Kumar Agarwal	600000	17.89
6	Sri Jeetender Kumar Agarwal	Director	235000	7.01
7	Smt Meenal Agarwal	Wife of Sri Jeetender Kumar Agarwal	585100	17.45
8	Sri Devender Kumar Agarwal	Director	235000	7.01
9	Smt Latha Agarwal	Wife of Sri Devender Kumar Agarwal	555000	16.55
10	B.N.Agarwal Family Trust	Family Trust	113488	3.38
11	Sri Rajender Kumar Agarwal HUF	HUF	35000	1.04
12	Sri Jeetender Kumar Agarwal HUF	HUF	35000	1.04
13	Sri Devender Kumar Agarwal HUF	HUF	35000	1.04
14	Sri Rishi kesh Agarwal	Son of Sri Rajender Kumar Agarwal	30000	0.89
15	MS Niharika Agarwal	Daughter of Sri Rajender Kumar Agarwal	30000	0.89

The above proposals have been approved by the Audit Committee in accordance with the Securities and Exchange Board of India Circular No. IR/CFD/POLICY CELL/2/2014 dated April 17, 2014 and the revised Clause 49 of the Listing Agreement,



to be effective from October 1, 2014, as well as Section 177 of the Companies Act, 2013. The Audit Committee / Board of Directors would be endeavoring to approve the transactions between the Company and the afore said related parties in the ordinary course of business and on arm's length basis and hence approval of the Shareholders may not be required under the provisions of the Companies Act, 2013 for transactions which are in the ordinary course of the Company's business and are at arm's length. The transactions envisaged are likely to exceed the limits as prescribed in the Companies Act, 2013 and the rules / circulars made thereunder during a financial year. At times, some of the terms of related party transactions may not be viewed as at arm's length basis. As a matter of abundant caution, and good corporate governance approval of the Shareholders is therefore being sought in terms of the Securities and Exchange Board of India Circular No.CIR/CFD/POLICY CELL/2/2014 dated April 17, 2014 and the revised Clause 49 of the Listing Agreement, to be effective from 1st October, 2014 and the provisions of the Companies Act 2013.

Sri Rajender Kumar Agarwal, Sri Jeetender Kumar Agarwal, Sri Devender Kumar Agarwal Directors & Mr. Badrinarayan Agarwal and their relatives referred above are interested in the above resolutions. None of the other key Managerial Personnel of the Company / their relatives is in way concerned or interested, financially or otherwise in the above resolutions.

The Board recommend the resolutions for approval of the Members.

Item No. 15

Section 148 of the recently enacted companies Act, 2013 read with Rule 14 of Companies (Audit & Auditors) Rules, 2014 provides for the appointment and the remuneration of the Cost Auditor for the audit of the cost records of the company by the Board and the remuneration of the Cost Auditor to be ratified by the members of the company. The appointment of Ms. Aruna Prasad, Cost Accountant has been approved by Board of Directors as Cost Auditor for carrying out cost audit on the cost records maintained by the company for the year 2014 – 15 on a remuneration of Rs. 25000/- plus out of pocket expenses. The ratification by the members to this remuneration is being sought in this resolution. The Board recommends the resolution for the approval of the members.

None of the Directors / Key Managerial Personnel / their relatives of the Company are interested in this resolution.

Item No. 16

As per section 181 of the Companies Act, 2013 the Directors of the Company can contribute to bonafide, charitable and other funds an amounts not exceeding 5% of its average net profits for the three immediately preceding financial years. The Company is required to spent amounts for social, philanthropic, charitable purposes and also for the rural development surrounding the factories etc.

The Company as a responsible corporate citizen is expected to incur these expenses in the immediate neighborhood of the Company. In view of the above and to increase in the business and activities of the company, the company may be required to contribute amounts to bonafide, charitable and other funds and organizations in excess of the 5% of its average net profits for the three immediately preceding financial years and would therefore attract the provisions of section 181 of the Companies Act, 2013. The proposed resolution seeks to now to authorize the Board of Directors to make such contributions/ expenditure up to a limit of Rs 5,00,000/- in any one financial year.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested financially or otherwise in the resolution

For SHESHADRI INDUSTRIES LIMITED

Place: Secunderabad

Date : 03-09-2014

Jeetender Kumar Agarwal

MANAGING DIRECTOR



DIRECTORS' REPORT

Dear Shareholders,

We have pleasure in presenting the Fifth Annual Report on the business and operations of Company and Financial Results for the year ended 31st March, 2014.

I. FINANCIAL RESULTS (Rs. in Lakhs)

	2013-2014
Financial Results	
Turnover Revenue	15180.27
Gross profit before financial charges & Depreciation	868.62
Less: Depreciation	193.17
Financial charges	597.19
Profit / (Loss) Before Taxation	78.27
Tax for Earlier years	-
Profit / (Loss) after taxation	78.27

With a view to ensure focused growth and to have economies of scale in the respective areas of operations Suryavanshi spinning Mills Ltd (Demerged Company) had formulated a Scheme of Arrangement by way of demerger. Hon'ble High Court at Hyderabad vide its Order dated 30th July, 2014 sanctioned the above scheme of arrangement in accordance with the provisions of sections 391-394 of the companies Act, 1956 and section 2(19AA) of the Income tax Act, 1961. Accordingly, Yarn Unit at Rajna, Madhya Pradesh along with two Garments Divisions in the state of Telangana of the Suryavanshi Spinning Mills Ltd. was transferred to and vested into Sheshadri Industries Ltd (Resulting Company-2) On a going concern basis and the appointed date for the scheme was 01.04.2013.

2. SCHEME OF ARRANGEMENT BY WAY OF DEMERGER (SCHEME) BETWEEN SURYAVANSHI SPINNING MILLS LTD, AANANDA LAKSHMI SPINNING MILLS LTD AND SHESHADRI INDUSTRIES LTD AND THEIR RESPECTIVE MEMBERS AND CREDITORS

Hon'ble High Court at Hyderabad approved vide its Orders dated July 30, 2014, the Scheme of Arrangement by way of Demerger between Suryavanshi Spinning Mills Ltd, Aananda Lakshmi Spinning Mills Ltd and Sheshadri Industries Ltd

and their respective members and creditors for demerger of yarn unit at Bhongir, Telangana into Aananda Lakshmi Spinning Mills Limited (Resulting Company -1) and yarn unit at Rajna, Madhya Pradesh (along with two Garment divisions Telangana) into Sheshadri Industries Limited (Resulting Company-2) and retaining yarn unit and medical textile unit at Aliabad, Ranga Reddy Dist. Telangana. The said Orders of the Hon'ble High Court were filed with Registrar of Companies, at Hyderabad on August 21, 2014 (Effective Date). The Appointed Date for the Scheme for Arrangement was April 1, 2013.

The authorised share capital of the Company was increased from Rs. 25,00,000 to Rs. 5,00,00,000 divided into 50,00,000 equity shares of Rs. 10/- each.

In terms of the Scheme of Arrangement, 37 equity share of of Rs 10/- each fully paid up of Sheshadri Industries Ltd (Resulting Company -2) have been allotted to the shareholders for every 100 equity shares held in Suryavanshi Spinning Mills Ltd. accordingly the paid up share capital of the Company stands increased from Rs. 5,10,000 to Rs. 4,95,95,770. Shares of Sheshadri Industries Ltd. will be listed in the BSE Limited. The Demerger is expected to unlock and maximize value to the share holders of Suryavanshi spinning Mills Ltd, and Sheshadri Industries Ltd through focused operations of both Companies.

3. OPERATIONS

Company achieved Total Revenue of Rs.151.80 Crores (including Other Income of Rs.8.69 crores) and achieved a profit of Rs.0.78 Crores for the Year ended 31st March, 2014. The operational results are pertaining to the Yarn unit situated at Rajna, Madhya Pradesh and Garments Divisions in the State of Telangana. As per the Scheme of Arrangement Accounts were drawn up from 01.04.2013 to 31.03.2014. Since it is the first report subsequent to Demerger previous year's figures are not comparable.

4. DIVIDEND

In view of the inadequate profits your Board regrets this inability to recommend any dividend.

5. EXPORTS

During the year under review the company's exports were Rs. 89.60 crores.



6. FUTURE OUTLOOK

The Company has got 25200 spindles of spinning capacity at its spinning unit at Rajna, Madhya Pradesh, with a capital investment of Rs. 35.30 crores earlier Company has drawn expansion, modernization and value addition programme involving addition of 9408 spinning capacity and installation of other value added machines etc., with a capital cost of Rs. 34.13 crores. The implementation of addition of 9408 spindles is in progress. Continuing that programme, Company has proposed to add value added machinery like TFO combers machines etc., in order to improve quality and quantity and to reduce labour cost since these machines are less labour intensive. On account of this measures being taken by the Company, the performance expected to be improved and prospects of the Company are promising.

7. ENVIRONMENT AND POLLUTION CONTROL

The Company give top priority to maintenance and performance improvement of all pollution abatement facilities like effluent treatment plants, air emission control and waste disposal facilities at its manufacturing plants. As far as possible rainwater harvesting and treated effluent recycling is being carried out at manufacturing plants to reduce dependence on water from other natural resources. Training, awareness and learning have been always at the forefront of The Company's journey to become world class in environmental performance. It has inculcated the habit to be in harmony with nature and in this context, afforestation, maintenance of green belts and gardens, and reuse of treated water in horticulture activities are routine practices. Environment impact assessment and risk analysis have been performed right from the stage of planning for implementation of all new major expansion projects to incorporate the necessary measures to minimize adverse environmental impact.

The Company has obtained environmental clearance from the Pollution Control Board concerned and is 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 manufacturing facility(s).

8. DIRECTORS

Sri Surender Kumar Agarwal (DIN 00281576) and Sri Manish Gupta (DIN 00526638) were appointed as an additional Directors who are holding office till the date of ensuing Annual General Meeting . A member proposed their appointments at the ensuing Annual General Meeting.

In terms of provisions of the Section 149 of the Companies Act, 2013 Company proposes to appoint Sri Surender Kumar Agarwal, and Sri Manish Gupta as independent Directors for a term of 5 years, not liable for retirement by rotation.

Smt. Narmda Bai and Sri Rishikesh Agarwal directors resigned from their respective directorships of the Company due to their other pre-occupations the Board records its appreciation for the services rendered by them.

The necessary Resolution for obtaining the approval of Members for the appointment of Sri Jeetender Kumar Agarwal as Managing director and re-appointment of Sri Badrinarayan Agarwal have also been included in notice for the ensuing Annual General Meeting. Members approval is sought for the above appointments of Directors.

Brief resume of the Directors including independent Directors being appointed, nature of their expertise in specific functional areas and names of public companies in which they hold directorships as stipulated under clause 49 of the listing agreement with the Stock Exchange are given elsewhere in the Annual Report.

9. AUDITORS

Your Company's Auditors M/S K.S. Rao & Co., Chartered Accountants, Hyderabad will retire at the conclusion of the Annual General Meeting. The company has received a letter from M/s. K.S. Rao & Co., informing their intention not to seek re appointment as auditors of the company. Your directors take this opportunity to express their appreciation for the support, co operation assistance and services rendered by them.

It is proposed to appoint M/s. Brahmayya & Co, Chartered Accountants, Hyderabad having firm registration no: 00513S as auditors of the company from the conclusion of the Fifth Annual General Meeting of the company until the conclusion of



next Annual General Meeting. M/s. Brahmayya & Co, Chartered Accountants, Hyderabad have confirmed to the Company that if appointed, their appointment will be in accordance with the provisions of the Companies Act, 2013.

10. AUDITORS' REPORT

The Auditors' Report to the Shareholders does not contain any reservation, qualification or adverse remark.

11. COST AUDITORS

Pursuant to the provisions of Section 148 of the Companies Act, 2013, Ms. K. Aruna Prasad cost Accountants (Membership No.11816), were appointed Cost Auditors to submit the reports to the Central Government. The reports for the year 2012-13 were submitted on 27.9.2013 (Due date 27.9.2013) and for the year 2013-14 will be submitted on or before due date.

12. DIRECTORS' RESPONSIBILITY STATEMENT

On the basis of compliance certificates received from the concerned executives of the respective Divisions of the Company and subject to disclosures in the annual accounts, as also on the basis of the discussion with the Statutory Auditors of the Company from time to time,

The Board of Directors of the company confirms:

- i. that in the preparation of the annual accounts, the applicable accounting standards have been followed and there has been no material departures;
- ii. that selected accounting policies were applied consistently and Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at 31st March, 2014 of the profit of the Company for year ended on that date;
- iii. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities, if any;

- iv. The Annual Accounts have been prepared on a going concern basis.

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

A statement under section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 giving details of conservation of energy, technology absorption, foreign exchange earnings and outgo, is annexed and marked Annexure 'A' and forms part of this Report.

14. DEPOSITS

The company has not invited/accepted deposits from the public.

15. PARTICULARS OF EMPLOYEES:

No employee was in receipt of remuneration in excess of the limits prescribed under Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 and hence the prescribed information is not required to be given.

16. CASH FLOW ANALYSIS

In conformity with the provisions of clause 32 of the Listing Agreement the Cash Flow Statement for the year ended 31.03.2014 is annexed hereto.

17. APPRECIATION

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

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

For and on behalf of Board of Directors

Place : Secunderabad
Date: 03rd September, 2014

(B.N. AGARWAL)
Chairman



ANNEXURE TO DIRECTORS' REPORT

Details as required under Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 read with clause (e) of Subsection (1) of Section 217 of the Companies Act, 1956.

A. CONSERVATION OF ENERGY

- (a) Energy conservation measures taken:

An energy audit was undertaken by a firm of consultants to improve upon the energy conservation measures. The recommendations from the audit were implemented.

- (b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy – Nil
Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods.

- (c) The above measures have reduced the cost of production.

- (d) Total energy consumption and energy consumption per unit of production as per Form A is given below

FORM A

Form for disclosure of particulars with respect to conservation of energy

A. Power & Fuel consumption		2013-14
I. ELECTRICITY		
a) Purchased		
Units (000)Apcpdcl		18781748
Total amount (Rs. lakhs)		1079.65
Rate / Unit (Rs.)		5.75
FSA Charges (Rs. lakhs)		0.23
b) Own Generation		
i) Through Generator (LDO/HSD/FO)		
Units Nos.		5724
Unit per liter of Diesel Oil		0.90
Cost / Unit (Rs.)		55.68
ii) Through Steam Generation Turbine / Generator		
2. COAL (Tonnes) (Specify the quality and where used) (E/F Grade, Process)		-
3. Furnace Oil		N.A
4. Others / Internal Generators (Please give details)		N.A
B. Consumption per Unit of Production (Kg.)		Standards (if any)
Electricity (No of units)		2.30
Furnace oil		-
Coal (specify quality)		-
Others (Specify)		-

B. TECHNOLOGY ABSORPTION

- (e) Efforts made in technology absorption as per Form B :



FORM - B

Form of disclosure of particulars with respect to technology absorption

A. Research and Development (R&D):

1. Specific areas in which R & D carried out by the Company.	:	The Company is having R & D in introduction and development of value added products.
2. Benefits derived as a result of the above R&D	:	New value added products were developed.
3. Future plan of action	:	To further develop more value added products and improve the quality of the products.
4. Expenditure on R & D	:	Expenditure on in-house Research and Development was not incurred during the year under review.
i) Capital ii) Recurring iii) Total Total R & D expenditure as a percentage of total turnover	:	NA

B. Technology absorption, adaptation and innovation

1. Efforts, in brief, made towards technology absorption, adaptation and innovation	:	The Company had adapted indigenous technology and innovated upon the same.
2. Benefits derived as a result the above efforts, e.g., improvement, cost, reduction, product development, import substitution, etc.	:	Product improvement, increase in yield, production of high value added products.
3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year) following information may be furnished.	:	No technology has been imported during last five years.
(a) Technology imported (b) Year of import (c) Has technology been fully absorbed (d) If not fully absorbed, areas where this has not taken place, reasons therefor and future plans of action	:	Nil Not applicable Not applicable Not applicable

C. FOREIGN EXCHANGE EARNINGS AND OUTGO :

a) Activities relating to exports; initiatives taken to increase exports; development of new export markets for production and service and export plans.	:	Exports of the company amounting to Rs. 89.60 crores to various countries like U.S.A, China, Australia, Canada, Egypt and South Africa have been made. The Company is exploring new markets for export of its products.
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(B) TOTAL FOREIGN EXCHANGE USED AND EARNED

Rs.Lacs

	2013-2014
(i) Foreign Exchange Earned :	
FOB Value of Exports	8820.85
CIF Value of Exports	8960.28
ii) Foreign Exchange used:	
a) Commission on exports	67.49
b) Foreign Travel Expenses	10.74
c) Raw material	-
d) Plant & Machinery	-
e) Spare Parts	43.70

For and on behalf of the Board of Directors

Place : Secunderabad
Date:03rd September, 2014

(B.N.Agarwal)
Chairman



INDEPENDENT AUDITOR'S REPORT

To the Members of SHESHADRI INDUSTRIES LIMITED,
SECUNDERABAD.

Report on the Financial Statements:

We have audited the accompanying financial statements of SHESHADRI INDUSTRIES LIMITED, SECUNDERABAD ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements:

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility:

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Company's preparation

and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion:

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a. in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b. in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date

Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books ;



- c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
- e. On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of subsection (1) of section 274 of the Companies Act, 1956.
- f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441 A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

for K.S.RAO & CO.

Chartered Accountants.

Firm's Regn. No.000513S

(V.V.RAO)

Partner

Membership No.015850

Place: Hyderabad

Date: September 03, 2014



ANNEXURE TO THE AUDITORS' REPORT

Referred to in paragraph 3 of our report of even date,

1.
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b. As explained to us, the management has physically verified most of the fixed assets during the year and there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of the assets. No material discrepancies were noticed on such verification.
 - c. The fixed assets disposed off during the year are not substantial and hence it has not affected the going concern status of the Company
2.
 - a. The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - b. In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - c. The Company is maintaining proper records of inventory. The discrepancies noticed on physical verification between the physical stocks and book records were not material.
3. The Company has not taken/granted any loans, secured or unsecured to Companies, firms or other parties covered in the Register maintained under Section 301 of the Act. Hence, provisions of clause (iii), (b), (c), (d), (f) and (g) of paragraph 4 are not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and with regard to sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
5.
 - a) In our opinion and according to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register to be maintained under that section.
 - b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public. Hence the provisions of Section 58A, 58AA and other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 are not applicable.
7. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
8. We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 in respect of Textiles and are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
9.
 - a) According to the records the Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it.
 - b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income-Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess were in arrears, as at 31st March, 2014.
 - c) According to the records of the Company and the information and explanations given to us, the dues of sales tax, Income Tax, Customs Duty, Wealth Tax, Service Tax, Excise Duty and Cess which have not been deposited on account of any dispute are as follows :



Sl. No	Nature of the Statute	Nature of the Dues	Amount (Rs)	Period to which the amount relates (Financial Year)	Forum where dispute is pending
1	M.P Sales Tax Act	Sales Tax dues	3,39,773/-	2003-2004	Deputy Commissioner (Appeal) Sales Tax, Bhopal, Madhya Pradesh.
2	M.P Sales Tax Act	Sales Tax dues	7,25,736/-	2004-2005	Deputy Commissioner (Appeal) Sales Tax, Bhopal, Madhya Pradesh.
5	Customs Act, 1962	Interest on Customs Duty	20,32,054/-	2003-2004	Hon'ble High Court, Jabalpur, Madhya Pradesh
6.	Customs Act, 1962	Customs Duty	16,14,454/-	2002-03	Tribunal CESAT, New Delhi

10. The Company has accumulated losses (Transferred from Suryavanshi Spinning Mills Limited on 01.04.2013 (Appointed Date) pursuant to the Scheme of Demerger) at the end of the financial year. The Company has not incurred cash losses during the financial year covered by our audit. The Company incurred cash loss immediately in the preceding financial year.
11. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institutions and banks.
12. The Company has not granted loans and advances on basis of security by way of pledge of shares, debentures and other securities.
13. The company is neither a chit fund nor a nidhi mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the above referred Order are not applicable to the company.
14. The Company is not dealing or trading in shares, securities, debentures and other investments. Therefore, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
16. In our opinion and according to the information and explanations given to us the term loans were applied for the purpose for which the loans were obtained.
17. In our opinion and according to the information and explanations given to us the funds raised on short-term basis have not been used for long-term investment.
18. During the year, the Company has made 41000 equity shares of Rs. 10/- each preferential allotment of shares to parties and Companies covered in the Register maintained under section 301 of the Companies Act, 1956.
19. During the year, the Company has not issued any debentures and therefore the question of creating security or charge in respect thereof does not arise.
20. During the year, the Company has not made any public issue and therefore the question of disclosing the end use of money raised by public issue does not arise.
21. Based upon the audit procedures performed and according to the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year.

for K.S.RAO & CO.
Chartered Accountants.
Firm's Regn. No.0005135

(V.V.RAO)

Partner

Membership No.015850

Place: Hyderabad

Date: September 03, 2014



Balance Sheet as at 31st March, 2014

(Figures in Rs. Lakhs)

Particulars	Note No.	As at 31.03.2014	As at 31.03.2013
Equity and Liabilities			
Shareholders' funds			
Share capital	1	495.96	1.00
Reserves and surplus	2	214.36	(1.16)
		<u>710.32</u>	<u>(0.16)</u>
Non-current liabilities			
Long-term borrowings	3	1515.60	-
Long-term provisions	4	71.84	-
		<u>1587.44</u>	<u>-</u>
Current liabilities			
Short-term borrowings	5	1887.61	-
Trade payables	6	2227.42	-
Other current liabilities	7	562.15	0.53
Short-term provisions	8	5.51	-
		<u>4682.68</u>	<u>0.53</u>
Total		<u>6980.44</u>	<u>0.37</u>
Assets			
Non-current assets			
Fixed assets	9		
Tangible assets		1442.42	-
Intangible assets		0.13	-
Capital work-in-progress		<u>1995.77</u>	<u>-</u>
		<u>3438.32</u>	<u>-</u>
Long-term loans and advances	10	142.01	-
		<u>3580.33</u>	<u>0.00</u>
Current Assets			
Inventories	11	1634.05	-
Trade receivables	12	781.97	-
Cash and cash equivalents	13	116.02	0.10
Short-term loans and advances	14	138.26	-
Other current assets	15	729.81	0.27
		<u>3400.11</u>	<u>0.37</u>
Total		<u>6980.44</u>	<u>0.37</u>

Notes on financial statements

I to 37

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

As per our report of even date

For and on behalf of Board of Directors

For K.S.Rao & Co.

Chartered Accountants

Firms Regn . No. 003109S

B.N. Agarwal

Chairman

V.V.Rao

Partner

Membership No. 219209

Place: Hyderabad

Date: 3rd September, 2014

J.K. Agarwal

Managing Director

Surender kumar Agarwal

Director



Statement of Profit and Loss for the year ended 31st March, 2014

(Figures in Rs. Lakhs)

Particulars	Note No.	Current year 2013-14	Previous year 2012-13
Revenue			
Revenue from operations	16	14420.59	-
Other income	17	759.68	-
Total Revenue		15180.27	-
Expenses			
Cost of materials consumed	18	10598.70	-
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	19	16.00	-
Power and fuel	20	1090.20	-
Employee benefits expense	21	1129.96	-
Finance costs	22	597.19	-
Depreciation and amortization expense		193.17	-
Other expenses	23	1476.51	0.53
Total expenses		15101.73	0.53
Preliminary expenses		0.27	0.63
Profit/(Loss) before tax		78.27	(1.16)
Tax expense			
For earlier years		-	-
Profit/(Loss) for the period, after tax		78.27	(1.16)
Earnings per equity share:			
(1) Basic		1.58	(0.01)
(2) Diluted		1.58	(0.01)

Notes on financial statements

I to 37

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

As per our report of even date

For and on behalf of Board of Directors

For K.S.Rao & Co.

Chartered Accountants

Firms Regn . No. 003109S

B.N. Agarwal

Chairman

V.V.Rao

Partner

Membership No. 219209

J.K. Agarwal

Managing Director

Surender kumar Agarwal

Director

Place: Hyderabad

Date: 3rd September, 2014



Notes on financial statements

(Figures in Rs. Lakhs)

I Share Capital :

Particulars	As at 31st March 2014		As at 31st March 2013	
	Number	Amount	Number	Amount
Authorised				
Equity Shares of Rs. 10 each	5000000	500.00	250000	25.00
	5000000	500.00	250000	25.00
Issued,Subscribed & paid up				
Equity Shares of Rs. 10 each	4959577	495.96	10000	1.00
	4959577	495.96	10000	1.00
Total	4959577	495.96	10000	1.00

(a) Disclosure pursuant to note no. 6(A)(d) Part I of schedule VI of the Companies Act

Particulars	As at 31st March 2014	As at 31st March 2013
	Equity shares	Equity shares
Shares outstanding at the begning of the year	10000	10000
Shares issued during the year	41000	-
Shares allotted pursuant to scheme of demerger	4908577	-
Shares redeemed / bought back duing the yer	N.A	N.A
Shares outstanding at the end of the year	4959577	10000

(b) Disclosure pursuant to Note no. 6(A)(g) of Part I of Schedule VI to the Companies Act, 1956 (if more than 5%)

Badrinarayan Agarwal-Family Trust	268203	5.41	-	-
Rajender Kumar Agarwal	579859	11.69	-	-
Jeetender Kumar Agarwal	638376	12.87	-	-
Westend Developers Ltd	481000	9.70	-	-
Sri Rishikesh Agarwal	-	-	5000	50
Smt.Narmada Bai Agarwal	-	-	5000	50

2 Reserves & Surplus :

Particulars	As at 31st March 2014	As at 31st March 2013
a. Securities Premium Account		
At the commencement of the year	-	-
Transfer during the year (*)	243.99	-
Closing Balance	243.99	-
b. State Subsidy		
At the commencement of the year	-	-
Transfer during the year (*)	10.00	-
	10.00	-
c. Surplus		
At the commencement of the year	(1.16)	-
Transfer during the year (*)	(116.74)	-
Add : For current year	78.27	(1.16)
Closing Balance	(39.63)	(1.16)
Total	214.36	(1.16)

(*) Transferred from Suryavanshi Spinning Mills Limited pursuant to the Scheme of Demerger



Notes on financial statements

(Figures in Rs. Lakhs)

	Particulars	As at 31st March 2014	As at 31st March 2013
3	Long Term Borrowings :		
	Secured		
	i. Term loans		
	- from banks		
	a) ICICI Bank Ltd	63.47	-
	b) Andhra Bank-I	54.72	-
	c) Andhra Bank -II	1216.33	-
	d) Andhra Bank - Working capital term loan	24.40	-
		<u>1358.92</u>	<u>-</u>

NOTES:

- Term Loans referred at (a) to (c) above are secured by mortgage of fixed assets present and future of the company on first charge pari passu basis and guaranteed by four Directors of the Company.
- Working capital term loans referred at (d) above are Secured by way of hypothecation of Raw materials, Stock-in-process, finished goods and stores and spares and book debts of the Company and also secured by way of second charge on fixed assets of the company on pari passu basis and guaranteed by four Directors of the Company.
- Term loans transferred from Suryavanshi Spinning Mills Limited on 01.04.2013 (Appointed Date) pursuant to the Scheme of Demerger as below.

Particulars	Rs. Lakhs
Term loans	
- from banks	
a) ICICI Bank Ltd	102.86
b) Andhra Bank-I	82.56
c) Andhra Bank -II	418.71
d) Andhra Bank - Working capital term loan	42.00
e) Andhra Bank - Buyer`s credit against FLC	413.79
Total	1059.92

Terms of Repayment

Name of the Bank	Rate of Intrest	
a) ICICI Bank Ltd	15.00%	15 monthly
b) Andhra Bank-I	14.50%	4
c) Andhra Bank -II	15.50%	16
d) Andhra Bank - Working capital term loan	15.00%	4

Particulars	As at 31st March 2014	As at 31st March 2013
Other loans and advances		
Vehicle purchase loan :		
Kotak Mahindra Bank Ltd	5.46	-
Axis Bank	1.22	-
	<u>6.68</u>	<u>-</u>
Vehicle hire Purchase Loans above are secured by hypothecation of the respective asset and guaranteed by one of the directors of the company		
Terms of Repayment : Monthly instalments		
Unsecured		
Loan from companies	150.00	-
	<u>150.00</u>	<u>-</u>
Total	1515.60	-



Notes on financial statements

(Figures in Rs. Lakhs)

	Particulars	As at 31st March 2014	As at 31st March 2013
4	Long Term Provisions		
(a)	Provision for employee benefits		
	Gratuity (unfunded)	69.57	-
	Leave Encashment (unfunded)	2.27	-
	Total	71.84	-
5	Short Term Borrowings :		
	Secured		
(a)	Loans repayable on demand		
(i)	Andhra Bank	1266.10	-
(ii)	State Bank of Hyderabad	613.09	-
		1879.19	-
1.	Working Capital Loans referred above (i) to (ii) are Secured by way of hypothecation of Raw materials, Stock-in-process, finished goods and stores and spares and book debts of the Company and also secured by way of second charge on fixed assets of the company on pari passu basis and guaranteed by four directors of the company.		
2.	Short Term Borrowings transferred from Suryavanshi Spinning Mills Limited on 01.04.2013 (Appointed Date) pursuant to the Scheme of Demerger as below.		
	Secured		
	Loans repayable on demand		
(i)	Andhra Bank -I	-	1165.62
(ii)	Andhra Bank -II	-	171.71
(iii)	State Bank of Hyderabad -I	-	526.87
(iv)	State Bank of Hyderabad -II	-	33.83
	Total	-	1898.03
(b)	Other loans and advances		
	Vehicle Purchase Loan :		
	Kotak Mahindra Bank Ltd.	4.99	-
	Axis Bank	3.42	-
		8.41	-
	Total	1887.61	-
6	Trade Payables		
	Dues to : Small and Micro Enterprises (*)	16.63	-
	: Other than Small and Micro Enterprises	2210.78	-
	Total	2227.41	-

(*) Interest paid, payable or accrued and due to Micro and small enterprises is Rs. NIL

An amount of Rs. 2342.05 of Trade payables has been transferred from Suryavanshi Spinning Mills Limited on 01.04.2013 (Appointed Date) pursuant to the Scheme of Demerger.



Notes on financial statements

(Figures in Rs. Lakhs)

Particulars	As at 31st March 2014	As at 31st March 2013
7 Other Current Liabilities		
(a) Current maturities of long-term debt		
i. Term loans		
- from banks		
a) ICICI Bank Ltd	39.36	-
b) Andhra Bank-I	30.04	-
c) Andhra Bank -II	70.74	-
d) Andhra Bank - Working capital term loan	23.20	-
	163.34	-
Current maturities of Term Loan transferred from Suryavanshi Spinning Mills Limited on 01.04.2013 (Appointed Date) pursuant to the Scheme of Demerger as below.		
Term loans		
- from banks		
a) ICICI Bank Ltd	-	28.34
b) Andhra Bank-I	-	32.40
c) Andhra Bank - Working capital term loan	-	20.60
Total	-	81.34
(b) Other payables	255.52	0.53
(c) Other payables - Statutory dues	10.52	-
(d) Salary & Reimbursements	89.64	-
(e) Contribution to PF & ESI	10.59	-
(f) Bonus Payable	11.51	-
(g) Advances received against sales	21.03	-
	398.81	0.53
Total	562.15	0.53
8 Short Term Provisions		
(a) Provision for employee benefits		
Gratuity (unfunded)	4.50	-
Leave Encashment (unfunded)	1.01	-
Total	5.51	-



Notes on financial statements

9 Fixed Assets

(Figures in Rs. Lakhs)

Particulars		Gross Block			Accumulated Depreciation / Amortisation				Net Block
		Transferred from from SVSML As at 1 April 2013 (*)	Additions	Disposals	Balance as at 31st March 2014	Transferred from from SVSML As at 1 April 2013 (*)	Depreciation for the year	On disposals	Balance as at 31st March 2014
a	Tangible Assets								
	Land	8.62	-	-	8.62	-	-	-	8.62
	Buildings :								
	Factory Buildings	462.98	-	-	462.98	246.77	15.46	-	200.74
	Non Factory Buildings								
	- Non Resident	77.76	-	-	77.76	20.97	1.27	-	55.52
	- Resident	115.21	-	-	115.21	17.11	1.88	-	96.22
	Plant and Equipment :								
	Plant And Machinery	3992.59	44.21	87.02	3,949.78	2,934.04	156.41	68.90	928.24
	Generators	-	-	-	-	-	-	-	-
	Testing Equipment	14.19	-	-	14.19	8.96	0.67	-	4.57
	Canteen Equipment	1.26	-	-	1.26	-	0.06	-	1.20
	Electrical Installations	114.04	-	-	114.04	78.30	3.27	-	32.47
	Workshop Equipment	1.22	-	-	1.22	1.05	0.04	-	0.13
	Weighing Machines	8.92	0.26	-	9.18	3.50	0.34	-	5.35
	Water Works	11.49	-	-	11.49	3.13	0.19	-	8.17
	Furniture and Fixtures	17.78	-	-	17.78	12.41	0.65	-	4.71
	Office Equipment	13.65	-	-	13.65	7.72	0.60	-	5.33
	Air Conditioners	10.85	0.15	-	11.00	3.51	0.48	-	7.01
	Vehicles	102.32	9.94	-	112.26	25.67	10.34	-	76.25
Data Processing	34.22	3.50	-	37.72	28.32	1.51	-	7.88	
	Total	4987.10	58.06	87.02	4958.14	3391.46	193.17	68.90	1442.41
b	Intangible Assets								
	Computer software	2.56	-	-	2.56	2.44	-	-	0.13
	Total	2.56	-	-	2.56	2.44	-	-	0.13
c	Capital Work In Progress	1667.46	386.37	58.06	1995.77	-	-	-	1995.77
	Total	1667.46	386.37	58.06	1995.77	-	-	-	1995.77
	Total (a+b+c)	6657.12	444.43	145.08	6956.47	3393.90	193.17	68.90	3438.31
	Less: Internal Transfer		58.06	58.06					
	Total	6657.12	386.37	87.02	6956.47	3393.89	193.17	68.90	3438.31

(*) The Transferred mentioned above are from Suravanshi Spinning Mills Ltd. (SVSML) consequent on 01.04.2013 (Appointed Date) pursuant to the Scheme of Demerger

(*) The Transferred mentioned above are from Suryavanshi Spinning Mills Ltd. (SVSML) consequent on 01.04.2013 (Appointed Date) pursuant to the Scheme of Demerger



Notes on financial statements

(Figures in Rs. Lakhs)

	Particulars	As at 31st March 2014	As at 31st March 2013
10	Long Term Loans and Advances		
a.	Deposits Recoverable (Unsecured considered good) (Electricity and other deposits) Advance for Investment (*)	82.51 59.50 <u>142.01</u>	- - <u>-</u>

(*) Rs.58.44 Lakhs transferred from Suryavanshi Spinning Mills Limited on 01.04.2013 (Appointed Date) pursuant to the Scheme of Demerger. The company proposes to invest in equity shares at par in Sheshadri Power and Infrastructure private limited in which the directors are interested.

11 Inventories

(Valued and certified by the Management)

a.	Raw Materials (Valued at cost on weighted average basis)	741.76	-
b.	Stores and spares (Valued at cost on weighted average basis)	114.84	-
c.	Finished goods (Valued at lower of cost or net realisable value basis)		
i.	Yarn	447.36	-
ii.	Garments	35.84	-
d.	Work-in-progress (Valued at lower of cost or net realisable value basis)	284.66	-
e.	Others - Cotton & PV Waste (at realisable value)	9.59	-
	Total	<u>1634.05</u>	<u>-</u>

Details of Raw Materials :

Cotton	368.77	-
Polyster Staple Fibre	6.85	-
Viscose Staple Fibre	8.91	
Yarn	219.08	
Stocks Of Dyed Fabric	138.15	
Total	<u>741.76</u>	<u>-</u>

The following Inventories were transferred from Suryavanshi Spinning Mills Limited pursuant to Scheme of Demerger on 01.04.2013 (Appointment Date.) as below :

Raw materials	1304.30
Stores and Spares	101.48
Finished goods	581.35
Work-in-progress	212.10
Total	<u>2199.23</u>



Notes on financial statements

(Figures in Rs. Lakhs)

	Particulars	As at 31st March 2014	As at 31st March 2013
12	Trade Receivables		
	(Unsecured, considered good)		
	Receivables for a period exceeding six months	23.30	-
	Receivables for a period less than six months	758.67	-
	Total	781.97	-
13	Cash and cash equivalents		
	Cash on hand	2.61	0.10
	Balances with Banks		
	With Scheduled Banks	21.51	-
	Balance with Banks against Margin Money / Guarantees	91.90	-
	Total	116.02	0.10
14	Short-term loans and advances		
	(Unsecured considered good)		
a.	Advances for Capital purchases	54.46	-
b.	Advances for purchases of Raw Material & Stores	82.93	-
		137.39	-
c.	Advances to Staff	0.47	-
d.	Other Advances	0.40	-
		138.26	-
15	Other Current Assets		
	Balance with Government Department	26.31	
	Subsidies Receivable	34.75	
	Export Licence Receivable	653.89	-
	Pre-paid Expenses	6.59	-
	Advance Tax (Net of provision)	0.57	-
	Other advances	3.02	-
	Claims / Other Receivables	0.00	-
	Miscellaneous Expenses Written Off	4.68	0.27
		729.81	0.27



Notes on financial statements

(Figures in Rs. Lakhs)

	Particulars	Current year 2013-14	Previous year 2012-13
16	Sale of Products		
a.	Domestic Sales		
	Yarn	5078.96	-
	Sale of Fabric	147.51	-
	Waste	233.84	-
	Total	5460.31	-
a.	Export Sales		
	Yarn	4226.54	-
	Garments	4733.74	-
	Total	8960.28	-
	Grand Total	14420.59	-
17	Other Income		
	Interest Income	12.20	-
	Scrap sales	18.56	-
	Gain on foreign currency transactions & translation	49.42	-
	Export benefits entitlement	664.00	-
	Insurance Claims	2.06	-
	Credit Balance and Excess provision Written Back	3.26	-
	Prior Period Income	9.56	-
	Profit on sale of licence	0.08	-
	Miscellaneous Receipts	0.54	-
	Total	759.68	-
18	Cost of materials consumed		
	Opening Stocks	-	-
	Transfer pursuant to Scheme of Demerger	1304.30	-
	Add : Purchases	10058.84	-
	Total	11363.14	-
	Less : Cost of Raw materials sold	22.68	-
	Less : Closing Stocks	741.76	-
		10598.70	-
	Imported and Indigeneous Raw Materials consumed :		
	Imported	0.03% 3.01	- -
	Indigeneous	99.97% 10595.69	- -
	Total	100.00% 10598.70	- -
	Details of Raw Material Consumed :		
	Cotton	7188.21	-
	Imported Cotton	3.01	-
	Yarn	3172.75	-
	Cotton fibre	26.04	-
	Fabric knitting & processing charges	208.69	-
	Total	10598.70	-



Notes on financial statements

(Figures in Rs. Lakhs)

	Particulars	Current year 2013-14	Previous year 2012-13
19	Changes in inventories of Finished Goods, work-in-progress and stock-in-trade		
	OPENING STOCKS:	-	
	Transfer pursuant to Scheme of Demerger		
	Yarn	466.77	-
	Garments	106.96	-
	Stock-in-Process	212.10	-
	Waste	7.62	-
		<u>793.45</u>	<u>-</u>
	CLOSING STOCKS:		
	Yarn	447.36	-
	Garments	35.84	-
	Stock-in-Process	284.66	-
	Waste	9.59	-
		<u>777.45</u>	<u>-</u>
	(INCREASE)/DECREASE IN STOCKS	<u>16.00</u>	<u>-</u>
20	Power and fuel		
	Power & Fuel		
	Electricity Charges	1079.87	-
	Fuel Consumed	10.33	-
	Total	<u>1090.20</u>	<u>-</u>
21	Employee Benefits Expense		
	(a) Salaries and incentives	1054.21	-
	(b) Contributions to Provident Fund	50.75	-
	(c) Gratuity	3.21	-
	(d) Contributions to Employee State Insurance	9.32	-
	(e) Staff welfare expenses	12.47	-
	Total	<u>1129.96</u>	<u>-</u>
22	Finance Cost		
	Interest expense	588.30	-
	Other borrowing costs	8.89	-
	Total	<u>597.19</u>	<u>-</u>



Notes on financial statements

(Figures in Rs. Lakhs)

	Particulars	Current year 2013-14	Previous year 2012-13
23	Other Expenses		
	Stores Consumption :		
	Consumable Stores	250.17	-
	Packing Material Consumed	241.35	-
		<u>491.52</u>	<u>-</u>
	Payments to the auditor as		
a.	auditor	0.45	0.17
b.	for taxation matters	0.22	-
c.	for Certification	0.17	-
		<u>0.84</u>	<u>0.17</u>
	Rent	19.43	-
	Repairs to : buildings	1.87	-
	: machinery	106.74	-
	: Others	28.78	-
	Insurance	17.47	-
	Rates and taxes, excluding, taxes on income	22.16	0.22
	Printing and Stationery	4.94	-
	Postage, Telegrams and Telephones	12.11	-
	Travelling and Conveyance	43.43	-
	Managerial Remuneration	29.34	-
	Directors' Sitting Fees	0.07	-
	Advertisement	0.78	-
	Commission on Sales	89.27	-
	Expenses on Sales	415.56	-
	Legal & Professional Charges	9.68	0.14
	Vehicle Maintenance	58.22	-
	Loss on Sale of Fixed Assets	9.62	-
	Miscellaneous expenses	60.80	-
	Loss on foreign currency transactions & translation	49.95	-
	Prior period items	3.93	-
		<u>984.15</u>	<u>0.36</u>
	Grand Total	<u>1476.51</u>	<u>0.53</u>



Notes on financial statements

(Figures in Rs. Lakhs)

24. (1) A Scheme of arrangement (referred to as "Scheme of Arrangement under Section 391-394 of the Companies Act, 1956 was approved by the shareholders of Suryavavanshi Spinning Mills Limited (SVSML) on 24th May 2014, for demerger of Spinning unit at Bhongir, Nalgonda District, Telangana, into 'Aananda Lakshmi Spinning Mills Ltd' (ALSML) and Spinning unit at Rajna, Pandhurna Taluq, Chindwara District, Madhya Pradesh – and Garment manufacturing Units at Aliabad, Medchal, Rangareddy District, Telangana and at Bhongir, Nalgonda District, Telangana, into 'Sheshadri Industries Ltd' (SIL) and retaining Spinning unit at Aliabad, Medchal Taluq, Ranga Reddy District, Telangana, and Medical Textile Unit at Aliabad, Medchal, Ranga Reddy District, Telangana with 'Suryavanshi Spinning Mills Ltd'.
- (2) A) In terms of Scheme of Arrangement (the Scheme) under sections 391-394 of the Companies Act 1956, which was sanctioned by the Hon'ble High Court on 30th July 2014. The Spinning unit at Rajna, Pandhurna Taluq, Chindwara District, Madhya Pradesh and Garment manufacturing Units at Aliabad, Medchal, Rangareddy District, Telangana and at Bhongir, Nalgonda District, Telangana ((here in after called Undertaking-2) stand demerged from Suryavanshi Spinning Mills Limited and vested in the company as a going concern so as to become as and from the Appointed Date (1st April 2013) the estate, assets, claims, title, interest etc of Undertaking-2, to the company. The Scheme became effective from 21st August, 2014.
- B) The Scheme also provides for transfer of the assets and liabilities of the Spinning unit at Rajna, Pandhurna Taluq, Chindwara District, Madhya Pradesh – and Garment manufacturing Units at Aliabad, Medchal, Rangareddy District, Telangana and at Bhongir, Nalgonda District, Telangana, the legal proceedings, the employees, employee related benefits and all contracts and agreements in relation to Undertaking-2, to the Company.
- Accordingly, the assets and liabilities have been transferred to the Company w.e.f. April 1, 2013 (Appointed Date) as follows :

	Amount in Rs.
Assets	
Non-current assets	
Fixed assets	159577459
Capital work-in-progress	166746013
	326323472
Long-term loans and advances	12241259
Current assets	
Inventories	219922702
Trade receivables	32263912
Cash and cash equivalents	8283853
Short-term loans and advances	19195020
Other current assets	54737856
	334403342
Total Assets	672968074
Liabilities	
Non-current liabilities -Long-term borrowings -Term loans --from banks	
a) ICICI Bank Ltd	10286290
b) Andhra Bank-I	8256327
c) Andhra Bank -II	41870597
d) Andhra Bank - Working capital term loan	4200000
e) Andhra Bank - Buyer`s credit against FLC	41378561
	105991775



Notes on financial statements

	Amount in Rs.
Vehicle hire purchase loan :	
Kotak Mahindra Bank Ltd	630914
Axis Bank	464114
	1095028
Unsecured :	
Loan from Others	15144247
	15144247
Total	122231050
Long-term provisions	2653464
Current liabilities	
Short-term borrowings - Secured -Loans repayable on demand	
(i) Andhra Bank -I	116562402
(ii) Andhra Bank -II	17170932
(iii) State Bank of Hyderabad -I	52686523
(iv) State Bank of Hyderabad -II	3382809
	189802666
Vehicle Hire Purchase Loan	
Kotak Mahindra Bank Ltd.	1617834
Axis Bank	308180
	1926014
Total	191728680
Trade payables	234204656
Other current liabilities	53970101
Short-term provisions	5369157
	293543914
Net Worth	
Share capital	49085770
Reserves and surplus	13725196
	62810966
Total Liabilities	672968074

- C) In consideration of the Demerger of the Spinning unit at Rajna, Pandhurna Taluq, Chindwara District, Madhya Pradesh and Garment manufacturing Units at Aliabad, Medchal, Rangareddy District, Telangana and at Bhongir, Nalgonda District, Telangana, from Suryavanshi Spinning Mills Limited to the company, the company has allotted 49,08,577 fully paid up equity shares of the Company Rs. 10 each, aggregating to Rs.4,90,85,770, to the share holders of Suryavanshi Spinning Mills Limited whose names were recorded in the register of members of Suryavanshi Spinning Mills Limited on 28th August, 2014 (the record date), in the ratio of 37 equity shares of the company of Rs.10 each credited as fully paid up for every 100 shares of Rs.10 each fully paid up held by such members in Suryavanshi Spinning Mills Limited in the same proportion in which shares are held by them in Suryavanshi Spinning Mills Limited.



Notes on financial statements

(Figures in Rs. Lakhs)

- D) Out of the amount of Net Worth, the following amounts have been credited to respective accounts as under :

Name	As at 31st March 2014
Share Capital	49085770
Reserves and Surplus:	
Securities premium account	24399107
State Subsidy	1000000
Surplus	(11673911)
Total	62810966

25. Contingent Liabilities not provided for

- | | | |
|----|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|
| a) | Against Foreign Bills Discounted | 834.75 |
| b) | Against Foreign and Inland Letter of credit | 879.40 |
| c) | Contracts to be executed on Capital Accounts | 405.01 |
| d) | Demand raised by Sales Tax Department for the year 2003-04 on subjecting the turnover of unit at Madhya Pradesh to tax for not furnishing "C" Forms. The matter is pending in Appeal before the Deputy Commissioner (Appeals) Sales Tax, Bhopal, Madhya Pradesh. | 3.40 |
| e) | Demand raised by Sales Tax Department for the year 2004-05 on subjecting the turnover of unit at Madhya Pradesh to tax for not furnishing "C" Forms. The matter is pending in appeal before the Deputy Commissioner (Appeals) Sales Tax, Bhopal, Madhya Pradesh. | 7.26 |
| f) | The Department of Central Excise & Customs raised a Demand for payment of Interest on the duty payable on the depreciated value of plant and machinery of Rajna Unit M.P. at the time of debonding from E.O.U. unit to D.T.A unit. The company challenged the demand before the Hon'ble High Court, M.P. | 20.32 |
| g) | The Department of Central Excise & Customs, Bhopal, M.P. raised a Demand for short payment of Central Excise duty on the dispatch of synthetic yarn in to DTA market at concessional rate of Excise duty during the accounting year 2002-03. The company preferred an appeal before the Hon'ble Appellate Tribunal for Customs Excise and Service Tax, New Delhi. | 16.14 |
| h) | M/s.Suryavanshi Textiles Ltd was amalgamated with Suryavanshi Spinning Mills Limited vide scheme of merger sanctioned by Board for Industrial and Financial Reconstruction (BIFR) under the provisions of Sick Industrial Companies (Special Provisions) Act, 1985 with effect from 01-04-2007. The scheme incorporates certain reliefs and concessions for consideration by income tax department including exemption from applicability of MAT u/s. 115JB of the Income Tax Act, 1961 for a period of five years from 01-04-2007. The company is pursuing the matter with the authorities concerned for the said reliefs as per the scheme of merger and liability under MAT u/s 115JB of Income Tax Act 1961 including interest as per assessment orders is Rs.41 lacs and Rs.443 lacs for the assessment years 2010-11 and 2011-12 respectively. In the event of the liability being crystallized, the liability shall be shared by Suryavanshi Spinning Mills Limited (Demerged Company), Aananda Lakshmi Spinning Mills Limited (Resulting Company - I) and Sheshadri Industries Limited (Resulting Company - II) equally, since the Company Demerged on 01.04.2013 (Appointed Date) as per the Scheme of Arrangement approved by Hon'ble High Court at Hyderabad. However, the relief sought by the company was heard by BIFR and the proceedings are awaited. | |



Notes on financial statements

(Figures in Rs. Lakhs)

26. The Company has got 25200 spindles of spinning capacity at its spinning unit at Rajna, Madhya Pradesh, with a capital investment of Rs. 35.30 Crores earlier. Company has drawn expansion, modernization and value addition programme involving addition of 9408 spinning capacity and installation of machines etc. with a capital cost of Rs.34.13 Crores. The implementation of addition of 9408 spindles is in progress. Continuing that programme, company has proposed to add value added machinery like TFO combers machines etc in order to improve quality and quantity and to reduce labour cost since these machines are less labour intensive. The implementation of that value added machinery is supposed to be completed by September 2015. The details of the project cost and capital expenditure incurred up to 31-03-2014 against the project are given here under:

Description	Project cost	Capital Expenditure incurred up to 31.03.2014
Buildings & Civil Works	341.00	217.22
Plant & Machinery - Indigenous	1364.00	1172.81
Plant & Machinery - Imported	1547.00	540.81
Electricals and others	161.00	38.94
Total Project Cost	3413.00	1969.78

- On completion of the proposed expansion, modernisation etc. the Rajna unit is entitled for the following benefits as per 'the Industrial Promotion Policy 2010 and action plan (as amended in 2012), Madhya Pradesh.
- 10% of Capital subsidy on total Plant and Machinery subject to cap of Rs.100 Lakhs.
- Interest subsidy @ 5% for a period of 5 years to be provided on long-term.
- Assistance of Input tax rebate on the amount of Value Added Tax (VAT) and Central Sales Tax (CST) on both Raw Material and Finished goods.

Name	As at 31st March 2014
------	-----------------------

27. Expenditure in Foreign currency during the year on account of	
a) Commission on Exports	67.49
b) Foreign Travel	10.74
28. Value of imports calculated on CIF basis in respect of	
a) Purchase of : Machinery	-
b) : Stores & Spares	43.70
c) : Rawmaterials	-
29. Earnings in Foreign Exchange:	
F O B value of exports	8820.85
30. Composition of Net Deferred Tax Asset/(Liability)	
Components of Deferred Tax	
Deferred Tax Asset on account of carry forward Loss	775.61
Employee Benefits	22.87
	798.48
Deferred Tax Liability on account of:	
Depreciation	261.08
Deferred revenue Expenses	
	261.08
Deferred Tax Asset/(Liability) (Net)	537.40

Note: The company has not recognised deferred Tax Asset as a matter of prudence.



Notes on financial statements

(Figures in Rs. Lakhs)

31. Related party disclosure

Related party disclosures as required by AS- 18 are given under

Name of the Party	Relationship	Name of Transaction	Current Year Amount
a. Transactions during the year			
Key Management			
Sri J.K.Agarwal	Key Management	Remuneration	28.41
Managing Director			
Relatives			
Mrs. Meenal Agarwal	Wife of Sri J.K. Agarwal	Rent	2.40
Mr. Devansh Agarwal	Son of Sri J.K. Agarwal	Rent	2.40
M/s. Suryajyoti Spinning Mills Ltd	Enterprise in which the Key management personnel and relatives are interested	Sale of Raw material	22.68
M/s. Suryavanshi Spinning Mills Limited	Enterprise in which the Key management personnel and relatives are interested	Sale of Fibre	56.27
M/s. Aananda Lakshmi Spinning Mills Limited	Enterprise in which the Key management personnel and relatives are interested	Purchase of Raw Material	538.82
b. Payable as at 31.03.2014			
M/s. Suryalakshmi Cotton Mills Limited	Enterprise in which the Key management personnel and relatives are interested	Purchase of Raw Material	16.67
c. Receivable as at 31.03.2014			
Sheshadri Power and Infrastructure Private Limited	Enterprise in which the Key management personnel and relatives are interested	Advance for Investment	59.50

32. EMPLOYEE BENEFITS:

The Company has provided for Gratuity and leave encashment based on actuarial valuation on the basis of projected unit credit method.

The following table summarise the components of the net benefit recognized in the statement of profit and loss and amounts recognized in the balance sheet for Gratuity.

	Year ended 31.03.2014	
	Gratuity	Leave Encashment
Profit and Loss account:		
Current service cost	3.50	0.50
Interest cost	5.73	0.37
Actuarial Gain / loss	(9.28)	1.82
Net benefit expense	(0.05)	2.69
Balance Sheet:		
Opening balance of benefit obligations	71.62	4.65
Current service cost	3.50	0.50
Interest cost	5.73	0.37
Actuarial Gain / loss	(9.28)	1.82
Benefits paid	(4.04)	(4.38)
Closing balance of benefit obligations	67.52	2.97



Notes on financial statements

(Figures in Rs. Lakhs)

The principal assumptions used in determining the Gratuity benefits obligation for the Company's plan are as under:

Discount rate	8%	8%
Attrition Rate	8%	8%
Further salary raise	7.5%	7.5%

33. Earning Per Share as per accounting standard No. 20

Net profit available for Equity Share Holders	78.27
Weighted average Number of Equity Shares	4959577
Basic and Diluted Earnings per Share	1.58

34. During the year 2005-06, the company recognized an income of Rs. 361.26 lakhs being export incentive under the Target Plus Scheme in terms of the then prevailing Foreign Trade Policy. The Govt., of India, Ministry of Commerce vide their Notification No.8 (RE-2006)/ 2004-09 dated 12.06.06 retrospectively reduced the benefit of entitlement from 15% to 5% on the exports effected since 01.04.2005. The company has since received duty free credit entitlement for Rs.121.86 lakhs @ 5% and for the balance 10%, the Company has contested before the Hon'ble High Court at Mumbai for the retrospective reduction of the export incentive by the Government of India. The High Court has granted an interim stay of the notification and the matter is pending for final orders.
35. Segment reporting is not applicable since the Company operates in single segment i.e., Textile product
36. Since it is the first annual accounts subsequent to Demerger previous year's figures are not comparable.



Notes on financial statements

37. Significant Accounting Policies

1 Accounting Convention

The financial statements are prepared under historical cost convention and on an accrual basis in accordance with the generally accepted accounting principles.

2 Fixed Assets

Fixed Assets are stated at cost net of depreciation provided in the statements. Cost of acquisition of Fixed Assets is inclusive of all direct and indirect expenditure up to the date of commercial use.

Depreciation is provided on straight line method in accordance with the rates prescribed under Schedule XIV of the Companies Act, 1956

3 Inventories

Raw material and Stores and Spares valued at cost on weighted average basis. Stock-in-process and Finished Goods are valued at lower of cost or net realisable value.

4 Borrowing Cost

Borrowing costs that are directly attributable to the acquisition of fixed assets are capitalised as part of cost of the asset till the date the asset is ready for commercial use. All other borrowing cost are charge to revenue

5 Investments

Investments are stated at cost and diminution in the value, which is permanent in nature, is provided for.

6 Contingent Liabilities And Provisions

All Contingent liabilities are indicated by way of a note and will be paid / provided on crystallisation.

7 Retirement Benefits

Provident fund contributions is charged to the Statement of Profit and Loss as and when the contributions are due. Gratuity and leave encashment provision is made as per actuarial valuation on the basis of projected unit credit method.

8 Foreign Exchange Transactions

Foreign currency transactions are recorded at the rates prevailing on the date of the transaction. Assets and liabilities arising out of foreign exchange transactions are translated at the rate of exchange ruling on the date of balance sheet. and are suitably adjusted to the appropriate revenue/ capital account.

9 Impairment Of Assets

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to statement of profit and loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting periods, is reversed if there has been a change in the estimate of recoverable amount.

10 Provision For Taxation

Provision for taxation for the year is based on tax liability computed in accordance with relevant tax rates and tax laws as at the Balance Sheet date. Provision for deferred tax is made for all timing differences arising between taxable income and accounting income at rates that have been enacted or substantively enacted as at the Balance Sheet date. Deferred tax assets are recognised only if there is a reasonable certainty that they



will be realised and are reviewed for the appropriateness of their respective carrying value at each Balance Sheet date.

11 Revenue recognition

Sales represents the amount receivable for goods sold. Incentives on export sales are recognised as income on accrual basis

12 Earning Per Share

Earning per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

13 Use Of Estimates

Preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Differences between the actual results and estimates are recognised in the period in which the results are known/materialised.

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

As per our report of even date

For and on behalf of Board of Directors

For K.S.Rao & Co.

Chartered Accountants

Firms Regn . No. 003109S

V.V.Rao

Partner

Membership No. 219209

J.K. Agarwal

Managing Director

B.N. Agarwal

Chairman

Surender kumar Agarwal

Director

Place: Hyderabad

Date: 3rd September, 2014



Cash Flow statement for the year ended 31st March, 2014

(Figures in Rs. Lakhs)

Particulars	for the year ended 31.03.2014	
	Rs.	Rs.
A. Cash Flow From Operating Activities		
Net Profit/ (loss) before tax and extraordinary items		78.27
Adjustments for:		
Finance Charges	588.30	
Depreciation	193.17	
Excess Provision & Credit Balance Written Back	(3.26)	
Interest Earned	(12.20)	
Profit on Sale of Fixed Assets (net)	9.62	775.63
Operating profit before working capital changes		853.90
Adjustments for		
Inventories	565.18	
Trade Receivables	(459.33)	
Long-term loans and advances	(19.60)	
Short-term loans and advances	53.69	
Other current assets	(181.60)	
Trade payables	(114.63)	
Other current liabilities	(51.55)	
Short-term provisions	(48.18)	
Long-term provisions	45.30	(210.72)
Cash generated from Operations		643.18
Direct taxes paid (Including TDS receivable)		(0.57)
Liabilities		642.61
B. Cash Flow From Investing Activities		
Acquisition of Fixed Assets (Including Capital Work in progress)		(386.37)
Proceeds from sale of Assets		8.50
Interest Received		12.20
Net cash used in investing Activities (B)		(365.67)



Cash Flow statement for the year ended 31st March, 2014

(Figures in Rs. Lakhs)

Particulars	for the year ended 31.03.2014	
	Rs.	Rs.
C. Cash Flow From Financing Activities:		
Proceeds from Term loans		454.58
Repayment of Term loans		(73.58)
Repayment of working capital loans		(18.83)
Proceeds from Issue of Equity Share Capital		4.10
Proceeds from Vehicle Loans		4.14
Repayment of Vehicle loans		(19.26)
Proceeds from unsecured loans		(1.44)
Interest paid		(593.56)
Net Cash used in Financing Activities (C)		(243.85)
Net Increase/(Decrease) in cash and cash equivalents (A+B+C)		33.09
Cash/Cash Equivalents as at 01st Apr 2013	0.10	
Transferred from Suryavanshi Spinning Mills Limited on 01.04.2013 (Appointed Date) pursuant to the Scheme of Demerger	82.83	
Cash/Cash Equivalents as at 31st March, 2014	116.02	(33.09)

Notes:

- Figures in brackets indicate cash outgo.
- Cash Flow Statement has been prepared under 'Indirect method' in accordance with 'Accounting Standard - 3 Cash Flow Statement', issued under the Companies (Accounting Standards) Rules, 2006.
- Cash flow statement has been prepared after considering Transfer of Assets and liabilities from Suryavanshi Spinning Mills Limited on 01.04.2013 (Appointed Date) pursuant to the Scheme of Demerger
- Previous year's figures have been regrouped wherever necessary to conform to this year's classification.

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

As per our report of even date

For and on behalf of Board of Directors

For K.S.Rao & Co.

Chartered Accountants
Firms Regn . No. 003109S

B.N. Agarwal

Chairman

V.V.Rao

Partner
Membership No. 219209

J.K. Agarwal

Managing Director

Surender kumar Agarwal

Director

Place: Hyderabad

Date: 3rd September, 2014

5th Annual General Meeting

SHESHADRI INDUSTRIES LIMITED

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

Phone: 91-40-30512700, Fax: 91-40-30512725/27815135/30512799

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

CIN: U17291TG2009PLC064849

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 Annual General Meeting of the Sheshadri Industries Ltd held on Tuesday September 30 ,2014 at 11.00 am at **Gayatri Gardens, Survey No.26,Sikh village, Near Diamond Point Hotel, Secunderabad - 500 003.**

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

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

5th Annual General Meeting

SHESHADRI INDUSTRIES LIMITED

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

Phone: 91-40-30512700, Fax: 91-40-30512725/27815135/30512799

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

CIN: U17291TG2009PLC064849

PROXY FORM

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

Name of the member(s)	
Registered Address	
Email ID	
Folio No./ Client ID	
DP ID	

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

1. Name :
Address :
Email ID :
Signature : or failing him
2. Name :
Address :
Email ID :
Signature : or failing him
3. Name :
Address :
Email ID :
Signature :

as my/ our proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the Annual General Meeting of the company, to be held on Tuesday, September 30, 2014 at 11.00 Noon at **Gayatri Gardens, Survey No. 26, Sikh Village, Near Diamond Point Hotel, Secunderabad - 500003** or at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Particulars	FOR	AGAINST
	Ordinary Business		
1.	To receive, consider and adopt the audited statement of Profit and Loss and Cash Flow Statement for the year ended 31st March, 2014 and audited Balance Sheet as on that date and the reports of the Directors and Auditors thereon.		
2.	To appoint a Director in place of Sri Badrinarayan Agarwal who retires by rotation and being eligible, offers himself a for re-appointment.		
3	Appoint auditors and fix their remuneration.		
	Special Business		
4	Appointment of Sri Jeetender Kumar Agarwal as Managing Director of the Company for a period of 3 years.		
5	Appointment of Sri. Manish Gupta as an Independent Director of the company.		
6	Appointment of Sri. Surender Kumar Agarwal as an Independent Director of the company.		
7	Adoption of new articles in substitution of old...		
8	Sanction of Borrowing limits upto Rs. 200 Crores under section 180(1)(c) of the Companies Act, 2013.		
9	To authorize Board to create mortgage and charge over Company's movable and Immovable properties in favor of Banks and Institutions.		
10	Approval for taking on lease the land and industrial shed situated in plot no 28/B survey No. 860 situated at IDA Bhongir, from related party.		
11	Approval for entering contracts for sale of garments with Fortune Eagle (HK) Trading Limited a related party.		
12	Approval for entering contracts for manufacturing of readymade garments through m/s Venkateswara Apparels, Hyderabad, a related party.		
13	Approval for entering contracts for manufacturing of readymade garments through m/s Aadya, Garments, Hyderabad, a related party.		
14	Approval for entering contracts for Purchase of cotton kappas from Suryavanshi Industries Limited a related party.		
15	Ratification of remuneration payable to Cost Auditors.		
16	Authorisation to the board to contribute bonafide, charitable and other funds subject to a limit of Rs. 5 lakhs in a year.		

Signed this day of 2014

Signature of Shareholder

Signature of Proxy Holder(s)

Affix
Revenue
Stamp
Stamp

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

BOOK POST

Printed Matter



If undelivered, please return to:

Sheshadri Industries Limited

Surya Towers, 6th Floor, 105, S.P. Road, Secunderabad – 500003, Telangana. India.

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