

# Annual Report 2016-2017



**SHESHADRI INDUSTRIES LIMITED**





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## Important Communication to Members

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



## CORPORATE INFORMATION

### BOARD OF DIRECTORS

**Sri Badrinarayan Agarwal**

Chairman (upto 15th May 2017)

**Sri Jeetender Kumar Agarwal**

Managing Director & CFO

**Sri Surender Kumar Agarwal**

Independent Director

**Sri Manish Gupta**

Independent Director

**Smt Sushma Gupta**

Independent Director

### Vice President (Corp. Affairs) & Company Secretary

Sri B. Rama Subba Reddy

### Nomination & Remuneration Committee

Sri Surender Kumar Agarwal

Sri Manish Gupta

Smt Sushma Gupta

### Auditors

M/s. Brahmayya & Co.

Flat No. 403 & 404, Golden Green Apartments

Irrum Manzil Colony,

Hyderabad - 500082

ISIN: INE193R01019

Listed on BSE Limited

Scrip Code: 539111

### Bankers

Andhra Bank

State Bank of India

*(erstwhile State Bank of Hyderabad before its merger with State bank of India)*

### Registrar and Share Transfer Agents

Karvy Computershare Private Limited

Karvy Selenium Tower B, Plot No 31 & 32,

Gachibowli, Financial District,

Nanakramguda, Serilingampally,

Hyderabad – 500032

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

e-mail: einward@karvy.com

Website: www.karvycomputershare.com

### Registered Office

6th Floor, Surya Towers, 105, S.P.Road

Secunderabad – 500003, Telangana

Website: www.sheshadri.in

Email: info@sheshadri.in

CIN: L17291TG2009PLC064849

Phone: 91-40-30512700

Fax: 91-40-30512725

### FACTORIES

#### Unit I:

Spinning Division

Rajna, Pandhurna (Tq.),

Chindwara (Dist.)

Madhya Pradesh – 480 340

### Audit Committee

Sri Surender Kumar Agarwal

Sri Manish Gupta

Sri Jeetender Kumar Agarwal

#### Unit II:

Garments Division

Aliabad, Medchal (Tq.)

Ranga Reddy (Dist.),

Telangana – 500 101

### Stakeholders' Relationship Committee

Sri Surender Kumar Agarwal

Sri Jeetender Kumar Agarwal





## NOTICE

NOTICE is hereby given that the 8<sup>th</sup> Annual General Meeting of the Members of Sheshadri Industries Limited will be held on **Friday, 29<sup>th</sup> day of September, 2017 at 09.45 A.M. at Sri Raja Rajeshwari Gardens, Survey No. 26, Sikh Village, Near Diamond Point Hotel, Secunderabad - 500009** to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements for the financial year ended 31<sup>st</sup> March, 2017 and the Reports of the Directors and Auditors thereon.
2. To appoint a director in place of Sri Jeetender Kumar Agarwal, who retires by rotation and, being eligible, offers himself for reappointment.
3. To consider, and if thought fit, to pass the following resolution with or without modification(s) as an **Ordinary Resolution**.

**“RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the Act), and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and pursuant to recommendation of the Audit Committee and the Board of Directors, M/s. K.S.Rao & Co., Chartered Accountants, Hyderabad, (ICAI Firm Regn. No.003109S) be and are hereby appointed as Statutory Auditors of the Company in place of M/s. Brahmayya & Co., Hyderabad (ICAI Firm Regn. No.000513S) whose tenure expires at this Annual General Meeting, at such remuneration plus reimbursement of out-of-pocket expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the said Auditors.”

**“RESOLVED FURTHER THAT** M/s. K.S.Rao & Co., Chartered Accountants, shall hold office for the period of five years from the conclusion of this Eighth Annual General Meeting of the Company till the conclusion of Thirteenth Annual General Meeting of the Company (subject to ratification of the appointment by members at every Annual General Meeting held after this Annual General Meeting).”

**“RESOLVED FURTHER THAT** the Board of Directors of the Company (including its Committee thereof), be and is hereby authorized to do all such acts, deeds, matters and things as may be considered

necessary, desirable or expedient to give effect to this Resolution.”

### SPECIAL BUSINESS:

4. 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 196, 197, 198 read Schedule V to the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for time being in force) and subject to the approvals of Banks and such other approvals as may be required from any other Authorities, consent of the Company be and is hereby accorded to re-appoint Mr. Jeetender Kumar Agarwal as a Managing Director for a period of three(3) years from 03.09.2017 to 02.09.2020 who shall be liable to retire by rotation and on such terms and conditions including remuneration as mentioned below:

- 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 J.K. 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**

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

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

**“RESOLVED FURTHER THAT** 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.”

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

5. 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)(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), to the mortgaging and/or charging by the Board of Directors of the Company (hereinafter referred to as Board) of all the movable and immovable properties of the Company, where so ever situated, present and future, of the whole of the undertaking of the company together with power to take over the management of the business and concern of the company in certain events on FIRST CHARGE BASIS

ranking pari passu with the other term lenders in favour of

1. Andhra Bank, Sultan Bazar Branch, Hyderabad to secure its Rupee Term Loan of Rs.49.03 Crores
2. State Bank of India (*erstwhile State Bank of Hyderabad before its merger with State bank of India*) to secure its Rupee Term Loan of Rs.9.27 Crores and on SECOND CHARGE BASIS ranking pari passu among the second charge holders in favour of
1. Andhra Bank, Sultan Bazar Branch, Hyderabad to secure its working capital facilities of Rs. 38.13 Crores
2. State Bank of India (*erstwhile State Bank of Hyderabad before its merger with State bank of India*) of Rs. 14.39 Crores to secure working capital facilities.

together with interest thereon at the respective agreed rates, compound interest, additional interest, liquidated damages, premia on prepayment or on redemption, cost, charges, expenses and other monies, payable by the Company to Andhra Bank and State Bank of India (*erstwhile State Bank of Hyderabad before its merger with State bank of India*) under their letter of sanctions / loan agreements entered / to be entered into by the Company in respect of the said financial assistance.

Provided however that the above mortgage on the second charge basis in favour of Andhra Bank and State Bank of India to secure their working capital facilities shall rank second and subservient to the charges created / to be created by the Company in favour of Andhra Bank & State Bank of India (*erstwhile State Bank of Hyderabad before its merger with State bank of India*) to secure the term loans sanctioned / to be sanctioned by them.

**“RESOLVED FURTHER THAT** the Company do hereby authorize the Board to take all necessary steps for the execution of the documents for creation of the aforesaid mortgage/charge.”

By order of the Board  
For Sheshadri Industries Limited

Place: Secunderabad  
Date :01.09.2017

**Jeetender Kumar Agarwal**  
Managing Director



## NOTES:

1. The register of members and share transfer books of the Company will be closed from 23<sup>rd</sup> September, 2017 to 29<sup>th</sup> September, 2017 (both days inclusive) for the purpose of Annual General Meeting.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. The holder of the proxy shall prove his/her identity at the time of attending the meeting.
3. A member holding more than 10% of the total share capital may appoint a single person as Proxy and such person shall not act as Proxy for any other person or member. The Instrument appointing the proxy should be deposited at the registered office of the company not less than forty-eight hours before the commencement of the meeting.
4. The 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.
5. Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.
6. Members may note that the Notice of the 8<sup>th</sup> AGM and the Annual Report for FY 2016-17, copies of audited financial statements, Directors' report etc., will also be available on the website of the company, [www.sheshadri.in](http://www.sheshadri.in) for download. Members holding shares in electronic mode are therefore requested to keep their email address updated with the Depository Participants. Members holding shares in physical mode are also requested to update their email addresses by writing to the Registrar and Transfer Agent of the Company at the address M/s Karvy Computershare

Private Limited, Karvy Selenium Tower B, Plot No 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032, Telangana.

## 7. E-Voting :

- (i) Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements), 2015, the Company is pleased to provide to its Members, the facility to cast their vote electronically, through the e-voting services provided by Karvy Computershare Private Limited (KCPL) on all resolutions set forth in this Notice. The members may cast their votes using an electronic voting system from a place other than the venue of the Meeting ('remote e-voting').
- (ii) In order to enable its Members, who do not have access to e-voting facility, to send their assent or dissent in writing in respect of the resolutions as set out in the Notice of AGM, the Company has also enclosed a ballot form with the Annual Report for 2016-17.
- (iii) The facility for voting through polling paper shall be made available at the Meeting and the members attending the Meeting who have not cast their vote by remote e-voting/ballot form shall be able to vote at the Meeting through polling paper.
- (iv) A Member can opt for only single mode of voting i.e. either through e-voting or by Ballot Form. If a Member casts votes by both modes then voting done through e-voting shall prevail and vote by Ballot shall be treated as invalid. The members who have cast their vote by remote e-voting/ballot form may also attend the Meeting but shall not be entitled to cast their vote again.
- (v) The Board of Directors of the Company has appointed Smt Rashida Adenwala, a Practising Company Secretary, Partner, R & A Associates, Hyderabad as Scrutinizer to voting process (e-voting, ballot and poll) in a fair and transparent manner and she has communicated her willingness to be appointed and will be available for same purpose.



- (vi) **Voting rights shall be reckoned on the paid-up value of shares registered in the name of the member / beneficial owner (in case of electronic shareholding) as on the cut-off date i.e. 22<sup>nd</sup> September 2017.**
- (vii) **A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, i.e. 22<sup>nd</sup> September 2017 only shall be entitled to avail the facility of remote e-voting, ballot form as well as voting at AGM through polling paper.**
- (viii) Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e. 22<sup>nd</sup> September 2017, may obtain the User ID and password by writing to Karvy at [evoting@karvy.com](mailto:evoting@karvy.com) or contact 040-67161606 or Toll Free No.1800 3454 001. However, if the person is already registered with Karvy for remote e-voting then the existing user ID and password can be used for casting vote.
- (ix) The remote e-voting facility will be available during the following period:  
**Commencement of remote e-voting: From 9.00 a.m. (IST) on 26<sup>th</sup> September 2017**  
**End of remote e-voting: Up to 5.00 p.m. (IST) on 28<sup>th</sup> September 2017**  
The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting Module shall be disabled by Karvy upon expiry of aforesaid period.
- (x) The Scrutinizer, after scrutinising the votes cast at the meeting and through remote e-voting, will, not later than three days of conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company [www.sheshadri.in](http://www.sheshadri.in) and on the website of Karvy <https://evoting.karvy.com>. The results shall simultaneously be communicated to BSE Limited.
- (xi) Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e. 29<sup>th</sup> September 2017.
- (xii) **Instructions and other information relating to remote e-voting:**
  - A. **In case of Members receiving Notice through mail:**
    - a. Open e-mail and open PDF File viz. **"Sheshadri Industries Ltd.pdf"** with you client ID or folio No. as password. The said PDF File contains your user ID and password for e-voting. Please note that the password is an initial password.
    - b. Use the following URL for e-voting: From Karvy website: <http://evoting.karvy.com>
    - c. Shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date, may cast their vote electronically.
    - d. Enter the login credentials. In case of physical folio, User ID will be EVEN number followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
    - e. After entering the details appropriately, click on LOGIN.
    - f. You will reach the Password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.,). The system will prompt you to change your password and update any contact details like mobile, email etc., on first login. You may also enter the secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
    - g. You need to login again with the new credentials.
    - h. On successful login, the system will prompt you to select the EVENT i.e., **Sheshadri Industries Limited.**



- i. On the voting page, enter the number of shares as on the cut-off date under FOR/ AGAINST or alternately you may enter partially any number in FOR and partially in AGAINST but the total number in FOR/ AGAINST taken together should not exceed the total shareholding. You may also choose the option ABSTAIN. If the shareholder does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
- j. Shareholders holding multiple folios / demat account shall choose the voting process separately for each folios / demat account.
- k. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.
- l. Cast your vote by selecting an appropriate option and click on SUBMIT. A confirmation box will be displayed. Click OK to confirm else CANCEL to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, shareholders can login any number of times till they have voted on the Resolution.
- m. Once the vote on the Resolution is cast by the shareholder, he shall not be allowed to change it subsequently.
- n. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authorization letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to rashida@rna-cs.com with a copy marked to evoting@karvy.com.
- o. In case of any queries relating to e-voting, members may please refer the Frequently Asked Questions (FAQs) for shareholders and e-voting User Manual for shareholders available at the download section of <http://evoting.karvy.com> or contact Mr. V Raghunath, Deputy Manager, Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot No. 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500032, Contact no. 040-67161606, Toll free No. 1800 345 4001, email id: [raghu.veedha@karvy.com](mailto:raghu.veedha@karvy.com), [evoting@karvy.com](mailto:evoting@karvy.com).

**B. In case of members receiving notice through post/courier:**

- (i) E-voting Event Number (EVEN), User ID and Password is provided
- (ii) Please follow all steps mentioned above in Sr. No. (xii)(A)(b) to (xii)(A)(n) to cast your vote by electronic means.

**(xiii) Instructions and other information relating to Ballot Form:**

- (i) A Member desiring to exercise voting by using Ballot Form shall complete the enclosed Ballot Form with assent (FOR) or dissent (AGAINST) and send it to the Scrutinizer, Smt Rashida Adenwala, a Practising Company Secretary, Partner, R & A Associates, Hyderabad, duly appointed by the Board of Directors of the Company. Ballot Forms deposited in person or sent by post or courier will be accepted at the Registered Office of the Company.
- (ii) Please convey your assent in Column "FOR" or dissent in the column "AGAINST" by placing a tick (✓) mark in the appropriate column in the Ballot Form only. The assent / dissent received in any other form / manner will not be considered.
- (iii) Duly completed and signed Ballot Forms shall reach the Scrutinizer on or before **Thursday, September 28<sup>th</sup> 2017 (5.00 p.m. IST)**. The Ballot Forms received after the said date / time shall be strictly treated as if the reply from the Member has not been received.
- (iv) Unsigned / incomplete Ballot Forms will be rejected. Scrutinizer's decision on validity of the Ballot Form shall be final.
- (v) A Member may request duplicate Ballot Form, if so required, by writing to the Company at its Registered Office or by sending an email



on **info@sheshadri.in** by mentioning their Folio No. / DP ID and Client ID. However, the duly filled in duplicate Ballot Form should reach the scrutinizer not later than **Thursday, September 28<sup>th</sup> 2017 (5.00 p.m. IST).**

8. The Companies Act, 2013 provides for the facility of nomination to the holders of Shares in a Company. Accordingly, members can avail the facility of nomination in respect of their shares held either singly or jointly. Members desiring to avail this facility are requested to fill up the prescribed nomination form and send the same to the Registered Office of the Company. (The forms are available at the Regd. Office).
9. Members are requested to notify immediately any change in their addresses to the Company.
10. The members are requested to bring their copy for the annual report with them at the time of attending Annual General Meeting.
11. A route map showing directions to reach the venue of the 8th AGM is given at the end of the Notice.

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

Place : Secunderabad  
Date :01.09.2017

**Jeetender Kumar Agarwal**  
Managing Director





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

### Item No. 3

M/s. Brahmaya & Co., Chartered Accountants, Hyderabad have been the Statutory Auditors of the Company for the past several years and were last reappointed by the members at the Seventh Annual General held on 30/09/2016.

As per the provisions of the Companies Act, 2013 ("the Act"), no listed Company shall appoint an Audit Firm (including its affiliate firms) as Auditors for more than two terms of five consecutive years. The Act also provided for a transition period of three years from the commencement of the Act i.e., 1<sup>st</sup> April, 2014.

Accordingly, the term of the present Auditors, M/s. Brahmaya & Co., Chartered Accountants expires at the conclusion of this Annual General Meeting. The Audit Committee and the Board of Directors place on record their appreciation for the professional services rendered by M/s. Brahmaya & Co., during their association with the Company as its Auditors.

For the purpose of appointment of new Auditors, the Audit Committee along with the Management invited proposals from the reputed firms of Chartered Accountants and had detailed discussion with representatives of those firms. The Committee considered various parameters such as reputation of the firm, knowledge and experience of the partners, understanding of the Company business, technical assessment of audit skills and the Audit fees and based on these detailed analysis, recommended M/s. K.S.Rao & Co., Chartered Accountants, Hyderabad (ICAI Firm Regn. No.003109S) as the Company's new Statutory Auditor. The Board of Directors based on the recommendation of the Audit Committee proposes the appointment of the M/s. K.S.Rao & Co., Chartered Accountants, Hyderabad (ICAI Firm Regn. No.003109S) as the Statutory Auditors of the Company to the members for their approval.

If approved by the members, the appointment of M/s. K.S.Rao & Co., Chartered Accountants, Hyderabad (ICAI Firm Regn. No.003109S), as the Statutory Auditor will be for a period of five years commencing from the conclusion of Eighth Annual General Meeting of the Company till the conclusion of Thirteenth Annual General Meeting (subject to ratification of the appointment by Members at every Annual General Meeting held after this Annual General meeting).

M/s. K.S.Rao & Co., Chartered Accountants, Hyderabad (ICAI Firm Regn. No.003109S) have confirmed that their appointment, if made would be within the limits specified under Section 141(3)(g) of the Act and that they are not disqualified to be appointed as Statutory Auditor in terms of the provisions of the proviso to Section 139(1), Section 141(2) and Section 141(3) of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014.

The Board of Directors recommends the resolution at Item No.3 of the Notice for your approval.

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

### Item No. 4

Sri Jeetender Kumar Agarwal has been re-appointed as Managing Director of the Company by the Board for a period of 3 years w.e.f. 03.09.2017 on remuneration of Rs.165000/- P.M. PLUS all applicable perquisites.

Sri Jeetender Kumar Agarwal is one of the promoter directors of Sheshadri Industries Limited and has vast knowledge of textile industry for more than 25 years and his experience in diverse field and guidance is considered vital to the company's growth. He is the Managing director and has been associated with the company since 2014

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

SL. No.	Name	Period	Remuneration (Rs.) per month (proposed)
I	Sri Jeetender Kumar Agarwal	03.09.2017 to 02.09.2020	Rs.1,65,000/- P.M. Plus 40% HRA and with usual allowances and perquisites

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 and remuneration have been approved by the Nomination and Remuneration Committee.





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

**I. Nature of Industry**

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

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

Company has started its operations since 2009

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

**4. Financial performance based on given indicators:**

Financial Statements and other documents form part of the Annual Report 2016-17.

**5. Foreign investments or collaborators, if any.**

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

**II. Information about the appointee:**

**I. Background details:**

Sl. No	Particulars	Details
1	Name	Jeetender Kumar Agarwal
2	Qualification	B.E Textile
3	Past Remuneration Drawn	Rs. 1,65,000/- P.M. Plus applicable allowances and perquisites
4	Job Profile and Sustainability	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 J.K.Agarwal, Managing Director has the direct pecuniary relationship by way of remuneration from the company, Sri B.N. Agarwal, being father to Sri J.K. Agarwal 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 this Annual Report.

**III. Other information:**

**I Reasons for inadequate profits**

The company earned inadequate profits due to excess capacity in the industry, mismatch of cotton yarn and raw cotton prices, huge raw material fluctuations leading to scarcity of raw materials with depressed market conditions.

Company has faced many Challenges due to economic slowdown and recessionary conditions prevailing in global market and over dependence on yarn exports to china has adversely affected the company.

**2. Steps taken or proposed to be taken for improvement**

The Company has got **37584** spindles of spinning capacity at its spinning unit at Rajna, Madhya Pradesh. Company has drawn expansion, modernization and value addition programme involving addition of spindles capacity and installation of other value added machines.

Company has plans to focus on production of value addition in 100% grey yarns and concentrating to increase the production of Slub Yarns, Injection Yarn, Vario Syro Yarns, E Mélanges, Performance Yarns i.e Thermo light, Feel Fresh, Cationic, Green Gold, Super Micro Ploy/model.

Company focuses on allocation of spindles on Man-made fibre to mitigate cotton price fluctuations and also for high quality grieger yarns. 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 expected to increase turnover by around 5% 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.

Sri Jeetender Kumar Agarwal is interested in the resolution with regard to his re-appointment and the relatives of Sri Jeetender Kumar Agarwal may be deemed to be interested in the said resolution to the extent of their shareholding in the company.

Except the above none of the other Directors/ Key Managerial Personnel of the Company/their relatives is in anyway concerned or interested, financially or otherwise in the Item No. 4 of the Notice.

**Item No. 5**

The Company has been sanctioned working capital facilities of Rs.38.13 Crores by Andhra Bank, Sultan Bazar Branch, Hyderabad and Rs.14.39 Crores to be sanctioned by State Bank of India (erstwhile State Bank of Hyderabad before its merger with State bank of India) as shown in below table:

These working capital facilities are to be secured by way of second charge on the Company's immovable properties on paripassu basis (in addition to paripassu first charge on current assets along with other working capital Bankers).

(Figures in Rs. Crores)

Nature of Facility	Andhra Bank	State Bank of India	Total
OCC/PC/PCFC/ CBP (Fresh)	15.30	6.56	<b>21.86</b>
FBP/FUBD/ REBA (Fresh)	5.00	-	<b>5.00</b>
Bank Guarantee (Renewal)	0.33	0.33	<b>0.66</b>
Forward contract	17.50	7.50	<b>25.00</b>
<b>Total</b>	<b>38.13</b>	<b>14.39</b>	<b>52.52</b>

Also, the Company has been sanctioned Term Loans of Rs.49.03 Crores by Andhra Bank and Rs.9.27 Crores to be sanctioned by State Bank of India (erstwhile State Bank of Hyderabad before its merger with State bank of India) as shown in below table:

These term loans sanctioned/ to be sanctioned by Andhra Bank Consortium are to be secured First Pari-passu charge on the entire Fixed Assets of the Company both current and future along with State Bank of India (erstwhile State Bank of Hyderabad before its merger with State bank of India) and they are further secured by way of Second charge on the current assets of the company.

(Figures in Rs. Crores)

Nature of Facility	Andhra Bank	State Bank of India	Total
Corporate Loan	10.36	4.44	<b>14.80</b>
Term Loan –I	0.16	-	<b>0.16</b>
Term Loan –II	9.49	-	<b>9.49</b>
Term Loan-iii	10.31	-	<b>10.31</b>
New Term Loan (Part of 13.39 Cr)	3.08	-	<b>3.08</b>
WCTL	9.84	3.71	<b>13.55</b>
FITL	5.79	1.12	<b>6.91</b>
<b>TOTAL</b>	<b>49.03</b>	<b>9.27</b>	<b>58.30</b>

The mortgage and / or charge on any of the movable and / or immovable or any other tangible and intangible assets / properties and / or the whole or any part of the undertaking(s) of the Company, to secure borrowings of the Company with a power to the charge holders to take over the management of the business of the Company in certain events of default, may be regarded as disposal of the Company's undertaking(s) within the meaning of Section 180(I)(a) of the Companies Act, 2013, thus it is necessary to pass a special resolution under Section 180(I)(a) of the Act, for creation of charges/ mortgages/hypothecations within the overall ceiling prescribed by the members under Section 180(I)(c) of the Act.

The above proposal is in the interest of the Company and the Directors recommend the resolutions set out at item No 5 for the approval of the Members.

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.

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

Place: Secunderabad  
Date : 01.09.2017

**Jeetender Kumar Agarwal**  
Managing Director



## ANNEXURE TO ITEM 2 OF THE NOTICE

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

Name of the Director	Sri Jeetender Kumar Agarwal
DIN	00041946
Date of Birth	22.07.1964
Nationality	Indian
Date of Appointment on the Board	26.03.2013
Qualifications	B.E Textile
Expertise in specific functional area	25 years of experience in Textile Industry
Number of shares held in the Company as on 31.03.2017	21,27,269
List of the directorships held in other companies	1. Aananda Lakshmi Spinning Mills Limited 2. Suryavanshi Integrated Apparel Park Limited 3. Sheshadri Power and Infrastructure Private Limited
Chairman/ Member in the Committees of the Boards of companies in which he is Director*	Nil
* Committee memberships/chairmanships includes only Audit Committee and Stake holders' Relationship Committee of other Public Limited Company (whether Listed or not).	
Except for Sri Badrinarayan Agarwal being father to Sri Jeetender Kumar Agarwal, there is no inter-se relationship between other Board Members.	



## DIRECTORS' REPORT

Dear Shareholders,

We have pleasure in presenting the 8<sup>th</sup> Annual Report on the business and operations of Company and Financial Results for the year ended 31st March, 2017.

### I. FINANCIAL RESULTS

Rs. In lakhs

	2016-2017	2015-2016
Turnover/Revenue	6172.65	11003.33
Gross Profit/Loss before financial charges & depreciation	(760.62)	329.24
Less: Depreciation	220.53	111.69
Financial charges	673.96	477.04
Profit / (Loss) before taxation	(1655.11)	(283.91)
Tax expenses	-	-
Profit/(Loss) after taxation	(1655.11)	(283.91)

### 2. OPERATIONS

During the year under review, the company achieved total turnover of Rs.6172.65 Lakhs which is lower than that of the previous year. The operations in the year have ended in a loss of Rs.1655.11 Lakhs as against loss of Rs. 283.91 Lakhs in previous year. The Company's operations have been affected due to economic slowdown and recessionary conditions, insufficient working capital funds pending sanction of the restructuring facilities from banks, the excess capacity in the industry, mismatch of cotton yarn and raw cotton prices and huge raw material fluctuations. Demonetization of high value currency and over dependence on yarn exports to china has also adversely affected the company during the year.

From past 3 years, Company is focusing on expansion programme for which machineries of the companies are re-located within the organization's manufacturing facilities causing disruption in productions.

### 3. CHANGE IN SHARE CAPITAL

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

### 4. DIVIDEND

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

### 5. EXPORTS

During the year under review the company's exports were Rs. 28.43 Crores as against Rs. 47.00 Crores of the previous financial year. The decrease in exports was due to adverse global market conditions coupled with fluctuation in foreign currency.

### 6. EXPANSION & MODERNISATION

Modernization and technological up-gradation programs have been completed by the Company to maintain competitiveness and achieve better quality. The benefits of the above schemes are expected to be accrued in the next financial year onwards. Stringent cost control measures remain in place in all possible areas and are regularly reviewed.

### 7. FUTURE OUTLOOK

Company is focusing on value addition in 100% grey yarns and concentrating to increase the production of Slub Yarns, Injection Yarn, Vario Syro Yarns, E Mélanges, Performance Yarns i.e Thermo light, Feel Fresh, Cationic, Green Gold, Super Micro Ploy/ model.

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

### 8. CORPORATE GOVERNANCE

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

### 9. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

### 10. ENVIRONMENT AND POLLUTION CONTROL

The manufacturing facilities have obtained environmental clearance from the Pollution Control



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

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

### **A. APPOINTMENTS AND RESIGNATIONS**

During the year under review, Sri Badrinarayan Agarwal, Chairman has resigned from board with effect from 15<sup>th</sup> May 2017 due to health issues. The Board records its appreciation for the services rendered by him from the inception. the board also wishes him a peaceful retired life.

The necessary Resolution for obtaining the approval of Members for the re-appointment of Sri Jeetender Kumar Agarwal (DIN No. 00041946), as Managing Director for the period of three years have also been included in notice for the ensuing Annual General Meeting.

### **B. RETIREMENT BY ROTATION**

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

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

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

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

The Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as evaluation

of the working of its Board Committees. A structured questionnaire was prepared covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board Culture, execution and performance of specific duties, obligations and governance.

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

### **D. DECLARATION BY INDEPENDENT DIRECTORS**

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

### **E. FAMILIARIZATION PROGRAMME OF INDEPENDENT DIRECTORS**

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

## **12. BOARD AND THEIR COMMITTEES**

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

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

As on 31<sup>st</sup> March 2017, the Company's Board of Directors comprises of 5 (Five) Directors. Of these, 2 (two) are Promoter



Directors and 3 (three) are Independent Directors. The Chairman was Non-Executive Promoter Director who has resigned from the company with effect from 15<sup>th</sup> May 2017.

The Board of Directors of the Company met Four (4) times during the year i.e on 30.05.2016, 09.08.2016, 14.11.2016 and 14.02.2017

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

Except for Sir Badrinarayan Agarwal and Sir Jeetender Kumar Agarwal being father and son, there is no inter-se relationship between other Board Members.

2. **AUDIT COMMITTEE**

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

During the financial year ended March 31, 2017 – Four (4) Audit Committee Meetings were held on 30.05.2016, 09.08.2016, 14.11.2016 and 14.02.2017

3. **NOMINATION & REMUNERATION COMMITTEE**

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

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

No, Nomination & Remuneration Committee Meetings were held during the financial year ended March 31, 2017

4. **STAKEHOLDERS' RELATIONSHIP COMMITTEE**

Your company has constituted a Stakeholders' Relationship Committee to specifically look into

the mechanism of redressal of grievances of shareholders and other security holders.

Sri Surender Kumar Agarwal (Chairman) is the Non-Executive Director heading the Committee and Mr. B. Rama Subba Reddy, Vice President (Corp. Affairs) & Company Secretary is the compliance office of the Company

There are no pending complaints during the year under review.

13. **AUDITORS & AUDITORS' REPORT**

A. **STATUTORY AUDITORS**

As the members are aware, M/s Brahmayya & Co., Chartered Accountants, Hyderabad (ICAI Firm Regn. No.000513S) have been the Company's Statutory Auditors since years. In accordance with section 139 of the Companies Act, 2013 and rules made there under the Company is required to appoint a new firm of Auditors for a term of five consecutive years from the conclusion of the ensuing Annual General Meeting.

Accordingly, the Company proposes to appoint M/s K.S. Rao & Co., Chartered Accountants, Hyderabad (ICAI Firm Regn. No.003109S) in place of M/s Brahmayya & Co., as its Statutory Auditors. The Board wishes to place on record its appreciation of the services rendered by M/s Brahmayya & Co., Chartered Accountants in its long association with the Company.

M/s K.S.Rao & Co., Chartered Accountants have expressed their willingness to be appointed as the Statutory Auditors of the company and furnished the certificate of their eligibility and consent for the same under Section 141 of the Companies Act, 2013, and the rules framed thereunder in terms of the Listing Regulations, the Auditors have confirmed, that they hold a valid certificate issued by the Peer Review Board of the ICAI. The Board, based on the recommendation of the Audit Committee, recommends the appointment of M/s K.S.Rao & Co., Chartered Accountants as the Statutory Auditors of the company. The Auditors' Report to the Shareholders for the year under review does not contain any qualification.

However, In respect of the observation made by the Statutory Auditors in Annexure-A to their report at Para 7(a), Para 8 and at note No.26 in notes to accounts, the management is of the considered opinion based on their



discussions with the banks / financial institutions that with the implementation of restructuring of the loans and a rehabilitation package being worked out, the operations of the company will be normalized and the company will be able to meet its liabilities to the banks and discharge its statutory dues in the near future.

With reference to auditors observations on note No.36 to the financial statements, the Board considers the note itself is self-explanatory.

#### B. SECRETARIAL AUDITOR

During the year, the Company has appointed M/s NVVS Suryanarayana Rao, Practicing Company Secretaries as Secretarial Auditor in compliance with the provision of Section 204 of the Companies Act, 2013. The Secretarial Audit report in form MR-3 for the financial year ended 31<sup>st</sup> March 2017 is annexed herewith as **Annexure I** to this Report. The Secretarial Audit Report does not contain any qualification or adverse remark.

However, In respect of the observation made by the Secretarial Auditors in their report, the management is of the considered opinion based on their discussions with the banks / financial institutions that with the implementation of restructuring of the loans and a rehabilitation package being worked out, the operations of the company will be normalized and the company will be able to meet its liabilities to the banks and discharge its statutory dues in the near future.

#### 14. DIRECTORS' RESPONSIBILITY STATEMENT:

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

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

of the financial year and of the profit and loss of the company for that period;

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

#### 15. RELATED PARTY TRANSACTIONS

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

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

Your Directors draw attention of the members to Note 31 to the financial statement which sets out related party disclosures. Particulars of Contracts or Arrangements with Related parties referred to in Section 188(1) in Form AOC- 2 is enclosed to this report in **Annexure IV**.

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

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo required to be given pursuant to the provision of Section 134 of the Companies Act, 2013





read with the Companies (Account) Rules, 2014 is annexed hereto and marked **Annexure II** and forms part of this Report.

#### 17. INTERNAL FINANCIAL CONTROLS

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

#### 18. POLICY ON SEXUAL HARASSMENT:

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

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

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

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

#### 20. DISCLOSURES:

##### A. EXTRACT OF ANNUAL RETURN

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

##### B. WHISTLE BLOWER POLICY

The Company has in place a Whistle Blower Policy for vigil mechanism for the directors and employees to report genuine concerns to the management about unethical behavior, fraud, violation of Company's code of conduct and provides adequate safeguards against victimization of persons who use such mechanism. The Policy on vigil mechanism

may be accessed on the Company's website at the link: [www.sheshadri.in](http://www.sheshadri.in) there were no complaints received during the year 2016-17.

#### C. LISTING

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

#### 22. GENERAL

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

- a. Details relating to deposits covered under Chapter V of the Act.
- b. The Company has no subsidiaries, joint ventures or associate companies.
- c. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

#### 23. ACKNOWLEDGEMENTS:

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

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

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

**Jeetender Kumar Agarwal**  
Managing Director

Place: Secunderabad  
Date : 01.09.2017

**Surender Kumar Agarwal**  
Director



## ANNEXURE - I

### FORM NO. MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017.

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

To,  
The Members,  
**SHESHADRI INDUSTRIES LIMITED,**  
105, Sardar Patel Road,  
Secunderabad – 500003  
Telangana, India.

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2017 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009- **(Not applicable to the Company during the Audit Period);**
  - e) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28<sup>th</sup> October 2014- **(Not applicable to the Company during the Audit Period);**
  - f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 – **(Not applicable to the Company during the Audit Period);**



- g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and – **(Not applicable to the Company during the Audit Period);**
- i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 – **(Not applicable to the Company during the Audit Period).**
- vi. The following other laws as specifically applicable to the Company in view of the management are:
  - a) Textiles (Development and Regulation) Order, 2001; and
  - b) Hank Yarn Packing Notification issued under Essential Commodities Act, 1955.

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

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

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above. However, company has defaulted in payments of undisputed statutory dues as at March 31, 2017 which includes Rs. 72.32 Lakhs towards Provident Fund Contribution, Rs. 4.41 Lakhs towards Employee State Insurance, Rs. 1.05 Lakhs towards Professional Tax, Rs. 34.40 towards Tax Deducted at Source (TDS) and Rs. 1.99 Lakhs towards Service Tax.

**We further report that:**

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

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

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

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

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

**Date: 01.09.2017  
Place: Hyderabad**

**Mr. NVVS Suryanarayana Rao  
ACS No.: 5868  
C P No.: 2886**

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



**“Annexure – A”**

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

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

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

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

Date: 01.09.2017  
Place: Hyderabad

**Mr. NVVS Suryanarayana Rao**  
ACS No.: 5868  
C P No.: 2886



## ANNEXURE - II

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

### A. CONSERVATION OF ENERGY

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

### B. TECHNOLOGY ABSORPTION

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

### C. FOREIGN EXCHANGE EARNINGS AND OUTGO

(Rs. in Lakhs)

i)	Foreign Exchange Earned:	2016-17	2015-16
	FOB value of exports	2751.66	4647.97
	CIF value of exports	2933.66	4701.50
ii)	Foreign Exchange used:		
	Commission on Exports	-	6.77
	Foreign Travel Expenses	18.39	33.61
	Plant & Machinery	-	769.97
	Spare parts	85.34	87.82



### ANNEXURE - III

#### FORM NO. MGT - 9

#### EXTRACT OF ANNUAL RETURN

as on the financial year ended 31.03.2017

[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

#### I. REGISTRATION AND OTHER DETAILS:

i)	CIN	LI7291TG2009PLC064849
ii)	Registration Date	26/08/2009
iii)	Name of the Company	Sheshadri Industries Limited
iv)	Category / Sub-Category of the Company	Company Limited by shares /Indian Non-Government Company
v)	Address of the Registered Office and contact details	6 <sup>th</sup> Floor, Surya Towers, 105, Sardar Patel Road, Secunderabad – 500003 Tel No. 040-30512700, Fax: 040-30512725
vi)	Whether listed company Yes / No	Yes
vii)	Name, address and contact details of Registrar and Transfer Agent, if any	Karvy Computershare Private Limited Karvy Selenium Tower B, Plot No 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032, Telangana. Tel no. 040-67161606, Fax no. 040-23420814

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

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	Cotton yarn	13111 - Spinning, weaving and finishing of textiles	50.41%
2	Garments	14101-Manufacture of all types of textile garments and clothing accessories	49.59%

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

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



**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

**i) Category-wise shareholding**

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





Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>(2) Non-Institutions</b>									
<b>a) Bodies Corporate</b>									
i) Indian	124835	482745	607580	12.26	132923	482738	615661	12.41	0.15
ii) Overseas	-	-	-	-	-	-	-	-	-
<b>b) Individuals</b>									
i) Individual Shareholders Holding nominal share capital upto Rs.1 lakh	908290	176271	1084561	21.88	886144	172907	1059051	21.36	-0.52
ii) Individual Shareholders holding nominal share capital in excess of Rs.1 lakh	352464	-	352464	7.11	369528	-	369528	7.43	0.32
<b>c) Others (specify)</b>									
i) NRI	10708	-	10708	0.22	8544	-	8544	0.17	-0.05
ii) Clearing Members	2081	-	2081	0.00	2564	-	2564	0.05	0.05
iii) NRI (Non Repat)	-	-	-	-	2046	-	2046	0.04	0.04
<b>Sub-Total (B)(2):</b>	<b>1398378</b>	<b>659016</b>	<b>2057394</b>	<b>41.49</b>	<b>1401749</b>	<b>655645</b>	<b>2057394</b>	<b>41.49</b>	<b>-</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>1398785</b>	<b>659292</b>	<b>2058077</b>	<b>41.50</b>	<b>1402156</b>	<b>655921</b>	<b>2058077</b>	<b>41.50</b>	<b>-</b>
<b>C. Shares held by Cus- todian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>4300285</b>	<b>659292</b>	<b>4959577</b>	<b>100</b>	<b>4303656</b>	<b>655921</b>	<b>4959577</b>	<b>100.00</b>	<b>-</b>



**ii) Shareholding of promoters**

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

**NOTE:** Difference in shares & % is due to Inter-se transfer among the promoters.

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

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

SI. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Jeetender Kumar Agarwal				
	At the begging of the year	2127269	42.89	2127269	42.89
	At the End of the year			2127269	42.89
2	S. Anji Reddy				
	At the begging of the year	658741	13.28	658741	13.28
	At the End of the year			658741	13.28
3	Badrinarayan Agarwal Family Trust				
	At the begging of the year	268203	5.41	268203	5.41
	At the End of the year			268203	5.41
4	Badri Narayan Agarwal				
	At the begging of the year	223247	4.50	223247	4.50
	At the End of the year			223247	4.50



Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
5	Meenal Agarwal				
	At the beginning of the year	133857	2.70	133857	2.70
	At the End of the year			133857	2.70
6	Narbada Bai				
	At the beginning of the year	133424	2.69	133424	2.69
	At the End of the year			133424	2.69
7	Jahnavi Sri Dhanya S				
	At the beginning of the year	77700	1.57	77700	1.57
	At the End of the year			77700	1.57
8	Suryalakshmi Cotton Mills Limited				
	At the beginning of the year	37777	0.76	37777	0.76
	At the End of the year			37777	0.76
9	Nileshkumar Manubhai Mehta				
	At the beginning of the year	30634	0.62	30634	0.62
	At the End of the year			30634	0.62
10	M Murali Krishna Reddy				
	At the beginning of the year	28000	0.56	28000	0.56
	At the End of the year			28000	0.56

(v) Shareholding of Directors and Key Managerial Personnel:

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



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

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

## V. INDEBTEDNES

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

(Rs. in Lakhs)

	Secured Loans Excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year:				
i) Principal Amount	5415.17	470.26	-	5885.43
ii) Interest due but not paid	88.64	-	-	88.64
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>5503.81</b>	<b>470.26</b>	<b>-</b>	<b>5974.07</b>
Change in Indebtedness during the financial year:				
• Addition	453.26	652.23	-	1105.49
• Reduction	725.28	295.12	-	1020.40
<b>Net Change</b>	<b>(272.02)</b>	<b>357.11</b>	<b>-</b>	<b>85.09</b>
Indebtedness at the end of the financial year:				
i) Principal Amount	5143.15	827.38	-	5970.53
ii) Interest due but not paid	346.52	-	-	346.52
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>5489.67</b>	<b>827.38</b>	<b>-</b>	<b>6317.05</b>



## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Rs. in Lakhs)

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

\*As per Section II Part II of Schedule V

### B. Remuneration to other Directors:

(Rs. in Lakhs)

Sl. No	Particulars of Remuneration	Name of the Director			Total Amount
1.	<b>Independent Directors</b>	<b>Mr. Surender Kumar Agarwal</b>	<b>Mr. Manish Gupta</b>	<b>Ms. Sushma Gupta</b>	
	• Fee for attending board / committee meetings	0.26	0.26	0.16	0.68
	• Commission	-	-	-	-
	• Others – incidental Expenses	0.12	0.12	0.12	0.36
	<b>Total (1)</b>	<b>0.38</b>	<b>0.38</b>	<b>0.28</b>	<b>1.04</b>
2.	<b>Other Non-Executive Directors</b>	<b>Mr. Badrinarayan Agarwal</b>	<b>Mr. Jeetender Kumar Agarwal</b>	<b>-</b>	<b>-</b>
	• Fee for attending board / committee meetings	-	-	-	-
	• Commission	-	-	-	-
	• Others, please specify	-	-	-	-
	<b>Total (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total (B)=(1 + 2)</b>	<b>0.28</b>	<b>0.32</b>	<b>0.16</b>	<b>0.76</b>



Sl. No	Particulars of Remuneration	Name of the Director			Total Amount
	Total Managerial Remuneration (A+B)		-	-	34.51.38
	Overall Ceiling as per the Act (for Independent Directors)	10*	11*	5*	

\* Rs. 1 lac per each meeting attended

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

Sl. no.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Mr. Jeetender Kumar Agarwal, CFO	Mr. B. Rama Subba Reddy, Vice President (Corp. Affairs) & Company Secretary	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	17.23	17.23
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify...	-	-	-
5.	Others, please specify Contribution to Provident fund	-	0.51	0.51
	<b>Total</b>	-	17.74	17.74

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

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



## ANNEXURE - IV

### Form No. AOC-2

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

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

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

There were no related party transactions that were not at arm's length basis.

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

(a)	Name(s) of the related party and nature of relationship	Fortune Eagle (HK) Trading Limited
(b)	Nature of contracts/arrangements/transactions	Sale of garments
(c)	Duration of the contracts / arrangements / transactions	It is a continuing contract
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	The Company sells the garments manufactured by it to the above mentioned related party. The value of the transaction for the year 2016-17 was Rs. 24.30 crores.
(e)	Justification for entering into such contracts or arrangements or transactions	The transaction is in the ordinary course of business and at arm's length
(f)	Date(s) of approval by the Board	03.09.2014 (It was approved by shareholders in AGM held on 30.09.2014)
(g)	Amount paid as advances, if any:	-

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

**Jeetender Kumar Agarwal**  
Managing Director

**Surender Kumar Agarwal**  
Director

Place: Secunderabad  
Date : 01.09.2017





## **ANNEXURE - V**

### **MANAGEMENT DISCUSSION ANALYSIS FORMING PART OF THE ANNUAL REPORT**

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

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

In terms of textile units, Indian Textile & Garment industry is one of the largest in the world. Most of the processing units in India are independent units, with some being integrated with spinning, weaving or knitting units. The garment sector is decentralized, with substantial part of production being sub-contracted to small fabricators and contract manufacturers.

#### **2. INDIAN TEXTILE INDUSTRY**

India is the seventh largest in the world by nominal GDP and the third largest by purchasing power parity (PPP). The country is one of the G-20 economies, a member of BRICS and among the top 20 global traders according to the WTO. (Source: Economic Times)

With a stable government at the helm for some time now, the economy has bounced back to its growth track in the last couple of years. Such was the growth trajectory of India that even IMF predicted that it would surely surpass the growth rate of the Chinese economy in 2016-17. For a major part of 2016, the India economy grew as per the expectations but in the last few months the growth was held back considerably as demonetization hit the economy like a storm. Sudden cash shortages and payment disruptions caused by the demonetization did undermine consumption and business activity significantly, thus posing new challenges to sustaining the growth momentum. The first advance estimate data released by the Indian Central Statistics Office, without considering the full impact of demonetization, indicated that the Indian economy is expected to clock a full year growth rate of 7.1% in 2016-17 compared to 7.6% in the previous year. (Source: TOI)

India is the fastest growing market and is expected to become the 3rd biggest apparel market in the world by 2025 with a total market size of around USD 500 billion as per the CII report. The domestic market is projected to go up from USD 68 billion in 2013 to USD 315 billion in 2025, and the export market is projected to grow from USD 40 billion to USD 185 billion in 2025. The segments contributing in the growth is likely to be from technical textiles and apparels. India has a potential to double its market share in global trade from 5% to 10% by 2025.

#### **3. GLOBAL ECONOMY**

Textile and apparel sector is a major sector globally. Since the initial stages of global industrialization, textile and apparel sector has remained at the forefront in generating employment and adding significantly to manufacturing output and exports for countries.

The year 2016 proved more challenging than expected for the global textile and clothing (T&C) Sector, as the global economy failed to break the 3% GDP growth rate. A gloomy global scenario had its share of impact on the output sales, which saw a decline of 1.5%. This decline is mostly attributable to the protracted lower-than bearable demand that resulted in a deflationist spiral. The only positive was that the T&C producer prices remained stable, as in China, but in a number of countries it still saw some decline. US PPI was down 1.2% on average in 2016 while India's shed 1.8%. As a result, international trade, which accounts for a third of total T&C output, lost USD 40 billion worth of business

After having witnessed bumpy growth in 2016, global textiles industry is upbeat about a fresh innings in 2017. Price increases are resuming due to firmer demand prospects. T&C producer prices are forecasted to rise 0.5% in 2017 in the US and China, and by 1.5% in 2018 for the latter. As a result, exports should climb by 3.5% to USD 925 billion, if no major occurrence upends international trade. While challenges are still surmounting, some upcoming trends like stable cotton prices, subsiding uncertainties surrounding US presidential election and it's socio economic and geopolitical stance, Brexit taking shape, tightening retail margins and strong focus promotions is surely to give a head start. Asian region largely dominated by China and India is expected to emerge as the brightest spot for the sector



in terms of annual average expenditure and by 2018 market demand for clothing in the region is set to reach almost USD 340 billion. (Source: Euler Hermes)

By 2020, the global textile and apparel trade is expected to grow from 24 million metric tonnes to 105 million metric tonnes. Due to low operational costs and geographical advantages, Asian countries are poised to contribute most to the segment. China, India and Pakistan account for more than 60% of the world fibre consumption while Bangladesh and Vietnam have emerged as textile economies, dependent on imported textile inputs.

#### **4. ALLOCATION FOR THE TEXTILE INDUSTRY IN 2017 BUDGET:**

- Higher fund allocation for labour skilling and end-to-end logistics solutions, including rail and coastal shipping last-mile connectivity. Thus helping the industry to achieve the \$350-billion target in next few years as set by the union government. A sum of Rs. 2,200 Crores has been allocated towards upgrading of labour skills.
- The government proposed to allocate funds for affordable housing scheme (as sought by the textile sector), which according to the industry experts may act a boon to the sector.
- Provision for the development of textile infrastructure has been increased to Rs. 1,860 Crores in 2017-18 from Rs. 506 Crores in FY 2017.
- Increase the allocation towards remission of state levies to Rs. 1,555 Crores for 2017-18 from Rs. 400 Crores for 2016-17, which is likely to result in 1-1.5% cost savings for a section of exporters.
- Basic custom duty on Nylon mono filament yarn (for use in long line system for Tuna fishing only) has been reduced to 5% (from earlier 7.5%)
- Textile and apparel industry would benefit from Trade Infrastructure Export Scheme (TIES) with an allocation of Rs. 3.96 Lakhs Crore. Higher income and spending by rural India will stimulate consumption of textiles and apparels.
- Reduction of corporate tax by 5% to MSME (turnover below Rs.50 Crores) will benefit textile and apparel industry as majority of enterprises fall into this category.

(Source: <https://www.fashionatingworld.com/new/1-2/union-budget-2017-18-gets-a-thumbsup-from-textile-industry> & <http://www.financialexpress.com/industry/sme/union-budget-2017-provides-big-boost-to-textiles-sector-heres-why/537109/>)

#### **5. POLYESTER YARN**

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

#### **6. GARMENTS**

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

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



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

## 7. OPPORTUNITIES AND THREATS

### 7.1 Opportunities:

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

### 7.2 Threats:

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

## 8. RISKS AND CONCERNS:

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

## 9. OUT LOOK:

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

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



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

#### **10. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

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

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

There are no material developments in the Human Resources area. The industrial relations have been generally satisfactory. The Company constantly reviews the man power requirements and has a properly equipped Department to take care of the requirements. The total number of people employed by the Company as on 31.03.2017 was 450.

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

The total Revenue for the year 2016-17 was Rs. 6172.65 Lakhs and incurred loss of Rs. 1655.11 Lakhs

#### **NOTE:**

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



## INDEPENDENT AUDITORS' 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, ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, and its Loss and its cash flows for the year ended on that date.

### Emphasis of Matter:

We draw attention to the following matters in the Notes to the financial statements:

- a. Note No. 26 to the financial statements regarding preparation of the financial statements on a going concern basis, despite complete erosion of the net worth and current liabilities exceeding current assets as at 31<sup>st</sup> March, 2017. Also, there were lower cash inflows from existing business activities and default in payment of dues to banks/financial institutions.
- b. Note No. 36 to the financial statements relating to non-provision of interest for delay in payments to MSME suppliers.

Our opinion is not qualified in respect of these matters.



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

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect of adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
  - (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 25 (c) to (h) to financial statements.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
    - iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management – Refer Note 35 to the Financial Statements.

for **BRAHMAYYA & CO.**  
Chartered Accountants  
Firm's Regn No. 000513S

Place : Hyderabad  
Date : 27.05.2017

**(K.SHRAVAN)**  
Partner  
Membership No.215798



## Annexure - A to the Auditors' Report:

The Annexure referred to in Para I under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date, to the members of SHESHADRI INDUSTRIES LIMITED, SECUNDERABAD, for the year ended March 31, 2017.,

1. a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. As explained to us, the management has physically verified the fixed assets during the year and there is a regular programme of physical verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of the assets. No discrepancies were noticed on such verification.
- c. According to the information and explanation given to us and on the basis of our examination of the records of the Company, the immovable properties have been transferred to Sheshadri Industries Limited (resulting company 2) as per the scheme of demerger approved by Hon'ble High Court at Hyderabad.
2. The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such verification between the physical stocks and book records.
3. a. During the year, the Company has not granted any loans, secured or unsecured to Companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- b. In view of our comments in para (a) above, Clause (III) (a), (b) and (c) of paragraph 3 of the aforesaid order are not applicable to the Company.
4. In our opinion and according to the information and explanation given to us, the Company has not advanced any loan to any Director and no investments were made during the year as referred to in sections 185 and 186 of the Act. Therefore, the provisions of Paragraph 3(iv) of the Companies (Auditors' Report) Order 2016 are not applicable to the Company.
5. The Company has not accepted any deposits from the public. Hence the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013, and the rules framed there under, do not apply to this Company.
6. We have broadly reviewed the cost records maintained by the Company pursuant to sub-section (1) of section 148 of the Companies Act, 2013 and are of the opinion that prime facie the prescribed accounts and records have been made and maintained. We have however not made a detailed examination of the cost records with a view to determine whether they are accurate or Complete.
7. a. According to the records, the company is not regular in depositing undisputed statutory dues including provident fund, employees' state insurance, Income-tax, Sales-tax, Service tax, Value added tax, Cess and all other statutory dues with the appropriate authorities. However, the extent of the arrears of outstanding statutory dues as at March 31, 2017 for a period of more than six months from the date they became payable are as follows:

Name of statute	Nature of the dues	Amount (In Lakhs)	Period to which the amount relates	Due Since	Date of Payment
Employees Provident Fund Act	Provident Fund Contribution	72.32	2016-17	Since June, 2016	Not yet paid
Employee State Insurance Act	Employee state Insurance	4.41	2016-17	Since July, 2016	Not yet paid
Professional Tax	Professional Tax	1.05	2016-17	Since Sep' 2016	Not yet paid
Income Tax Act	TDS	34.40	2016-17	Since Aug' 2016	Not yet paid
Finance Act	Service Tax	1.99	2016-17	Since Aug' 2016	Not yet paid





- b. According to the records of the Company and the information and explanations given to us, there are no dues to Income Tax or Sales Tax or Service Tax or Duty of Customs or Duty of Excise or Value Added Tax have not been deposited on account of any dispute except as follows:

Nature of the Statute	Nature of Dues	Amount (Rs in Lakhs)	Period to which the amount relates (Financial year)	Forum where dispute is pending
M.P. Sales Tax Act	Sales Tax dues	2.44	2003-2004	Deputy Commissioner (Appeal) Sales Tax, Bhopal, Madhya Pradesh
M.P. Sales Tax Act	Sales Tax dues	5.20	2004-2005	Deputy Commissioner (Appeal) Sales Tax, Bhopal, Madhya Pradesh
Customs Act, 1962	Interest on Customs Duty	20.32	2003-2004	Hon'ble High Court, Jabalpur, Madhya Pradesh
M.P. Sales Tax Act	Sales Tax(Entry tax) dues	22.48	2012-2013	M.P. Commercial Tax , Appellate Board, Bhopal, Madhya Pradesh
M.P. Sales Tax Act	Sales Tax(Entry tax) dues	1.96	2013-2014	Additional Commissioner of Commercial Tax (Appeal), Jabalpur, Madhya Pradesh

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

Name of the Bank	Amount of due as at the Balance Sheet date (Rs in Lakhs)*	Period of default
i) Andhra Bank - I	14.87	From Sep'2016
ii) Andhra Bank - II	213.00	From Sep'2016
iii) Andhra Bank – III	45.00	From Sep'2016
iv) Andhra Bank – Corp	39.00	From Sep'2016
v) SBH – Corp	16.50	From Sep'2016

\*Principal dues excluding interest

9. The Company did not raise any money by way of initial public offer or further public offer (including debt instrument) during the year. In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.
10. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Companies (Auditors' Report) Order 2016 is not applicable.



13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Companies (Auditors' Report) Order 2016 is not applicable.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

**for BRAHMAYYA & CO;**  
Chartered Accountants  
Firm's Regn No. 000513S

Place : Hyderabad  
Date : 27.05.2017

**(K.SHRAVAN)**  
Partner  
Membership No.215798



## **Annexure – B to the Auditors' Report**

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

We have audited the internal financial controls over financial reporting of SHESHADRI INDUSTRIES LIMITED, SECUNDERABAD ("the Company") as of 31<sup>st</sup> March 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material aspects.

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

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

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditure of the Company are being made only in accordance with authorisations of management and directors of the Company; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.



### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

for **BRAHMAYYA & CO.**  
Chartered Accountants  
Firm's Regn No. 000513S

**(K.SHRAVAN)**  
Partner

Membership No.215798

Place : Hyderabad  
Date : 27.05.2017

**Balance Sheet as at 31st March, 2017**

(Figures in ₹ Lakhs)

Particulars	Note No.	As at 31st March, 2017	As at 31st March, 2016
<b>Equity and Liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	1	495.96	495.96
Reserves and surplus	2	(1755.73)	(100.62)
		(1259.77)	395.34
<b>Non-current liabilities</b>			
Long-term borrowings	3	3508.18	3448.33
Long-term provisions	4	115.12	86.26
		3623.30	3534.59
<b>Current liabilities</b>			
Short-term borrowings	5	1588.46	1927.35
Trade payables	6	1860.31	1491.12
Other current liabilities	7	1772.73	944.31
Short-term provisions	8	1.77	6.79
		5223.27	4369.57
		7586.80	8299.50
<b>Assets</b>			
<b>Non-current assets</b>			
Fixed assets	9		
Tangible assets		4677.32	1172.05
Intangible assets		0.13	0.13
Capital work-in-progress		200.38	3361.22
		4877.83	4533.40
Non-current investments	10	-	58.90
Long-term loans and advances	11	105.65	110.29
		4983.48	4702.59
<b>Current Assets</b>			
Inventories	12	1625.04	2160.97
Trade receivables	13	217.75	394.13
Cash and cash equivalents	14	124.93	157.78
Short-term loans and advances	15	127.60	334.97
Other current assets	16	508.00	549.06
		2603.32	3596.91
<b>Total</b>		<b>7586.80</b>	<b>8299.50</b>
Notes on financial statements	I to 39		

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

per our report of even date

For and on behalf of Board of Directors

For **Brahmayya & Co.**

Chartered Accountants

Firms' Registration Number: 0005135

**J.K. Agarwal**

Managing Director &amp; CFO

**K.Shravan**

Partner

**Membership Number:215798****B.R.S. Reddy**Vice president (Corp. Affairs)  
and Company Secretary)**Surender kumar Agarwal**

Director

Place: Hyderabad

Date: 27th May, 2017



**Statement of Profit and loss for the year ended 31st March, 2017** (Figures in ₹ Lakhs)

Particulars	Note No.	Current Year 31st March, 2017	Previous Year 31st March, 2016
<b>Revenue</b>			
Revenue from operations	17	5792.89	10584.82
Other income	18	379.75	418.51
<b>Total Revenue</b>		<b>6172.64</b>	<b>11003.33</b>
<b>Expenses</b>			
Cost of materials consumed	19	3901.88	6783.82
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	20	311.33	146.81
Power and fuel	21	651.23	1135.07
Employee benefits expense	22	890.44	1161.75
Finance costs	23	673.96	477.04
Depreciation and amortization expense		220.53	111.69
Other expenses	24	1178.38	1446.64
<b>Total expenses</b>		<b>7827.75</b>	<b>11262.82</b>
<b>Profit/(Loss) before Exceptional and Extraordinary items and tax</b>		<b>(1655.11)</b>	<b>(259.49)</b>
Exceptional items ( Demerger Expenses )		-	24.42
<b>Profit/(Loss) before tax</b>		<b>(1655.11)</b>	<b>(283.91)</b>
Tax expense			
For earlier years			
<b>Profit/(Loss) for the period, after tax</b>		<b>(1655.11)</b>	<b>(283.91)</b>
Earnings per equity share:			
(1) Basic		(33.37)	(5.72)
(2) Diluted		(33.37)	(5.72)
Notes on financial statements	I to 39		

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

per our report of even date

For and on behalf of Board of Directors

For **Brahmayya & Co.**  
Chartered Accountants  
Firms' Registration Number: 0005135

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

**K.Shravan**  
Partner  
Membership Number:215798

**B.R.S. Reddy**  
Vice president (Corp. Affairs)  
and Company Secretary)

**Surender kumar Agarwal**  
Director

Place: Hyderabad  
Date: 27th May, 2017



Notes forming part of the financial statement as at 31st March, 2017

(Figures in ₹ Lakhs)

Particulars	As at 31st March, 2017		As at 31st March, 2016	
	Number	Amount	Number	Amount
<b>I Share Capital :</b>				
<b>Authorised</b>				
Equity Shares of Rs. 10 each	5000000	500.00	5000000	500.00
	5000000	500.00	5000000	500.00
Issued,Subscribed & paid up				
Equity Shares of Rs. 10 each	4959577	495.96	4959577	495.96
	4959577	495.96	4959577	495.96
<b>Total</b>	<b>4959577</b>	<b>495.96</b>	<b>4959577</b>	<b>495.96</b>

(a) The Company has only one class of shares referred to as equity shares having a par value of Rs. 10/- each. Each holder of equity shares is entitled to one vote per share

(b) Disclosure pursuant to note no. 6(A)(d) Part I of schedule III of the Companies Act, 2013

Particulars	As at 31 st March, 2017	As at 31st March, 2016
	Equity shares	Equity shares
Shares outstanding at the beginning of the year	4959577	4959577
Shares issued during the year	-	-
Shares redeemed / bought back during the year	N.A	N.A
Shares outstanding at the end of the year	4959577	4959577

(c) Disclosure pursuant to Note no. 6(A)(g) of Part I of Schedule III to the Companies Act, 2013 (if more than 5%)

Name of Shareholder	As at 31 st March, 2017		As at 31st March, 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Jeetender Kumar Agarwal	2127269	42.89	2127269	42.89
Badrinarayan Agarwal-Family Trust	268203	5.41	268203	5.41
Westend Developers Ltd	481000	9.70	481000	9.70



Notes forming part of the financial statement as at 31st March, 2017

(Figures in ₹ Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
<b>2 Reserves &amp; Surplus :</b>		
<b>a. Securities Premium Account</b>		
At the commencement of the year	243.99	243.99
Closing Balance	243.99	243.99
<b>b. State Subsidy</b>		
At the commencement of the year	10.00	10.00
<b>c. Surplus</b>		
At the commencement of the year	(354.61)	(70.70)
Add : For current year	(1,655.11)	(283.91)
Closing Balance	(2,009.72)	(354.61)
<b>Total</b>	<b>(1,755.73)</b>	<b>(100.62)</b>
<b>3 Long Term Borrowings :</b>		
<b>Secured</b>		
<b>i. Term loans from banks</b>		
a) Andhra Bank -II	383.07	736.97
b) Andhra Bank -III	410.34	85.78
c) Andhra Bank - Corporate Loan	918.50	1027.00
d) State Bank of Hyderabad- Additional Term loan	393.00	374.00
e) Andhra Bank Buyer Credit	575.89	752.64
	<b>2680.80</b>	<b>2976.39</b>

**NOTES:**

- Term Loans referred at (a) to (e) above are secured by mortgage of fixed assets present and future of the company on first charge pari passu basis and guaranteed by two Directors and relatives of directors the Company.

**Terms of Repayment**

	Name of the Bank	Rate of Interest	Quarterly
a)	Andhra Bank -II	15.00%	4
b)	Andhra Bank -III	14.75%	14
c)	Andhra Bank - Corporate Loan	14.75%	20
d)	State Bank of Hyderabad- Additional Term loan	14.75%	20





Notes forming part of the financial statement as at 31st March, 2017

(Figures in ₹ Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Other loans and advances		
Vehicle purchase loan :		
Mahindra And Mahindra Financial Services Ltd	-	1.68
Kotak Mahindra Bank Ltd	-	-
	-	1.68
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		
<b>Unsecured</b>		
Loan from Inter-corporate Deposits	676.38	339.26
Unsecured Loan from Directors	151.00	131.00
	827.38	470.26
<b>Total</b>	<b>3508.18</b>	<b>3,448.33</b>
<b>4 Long Term Provisions</b>		
Provision for employee benefits		
Gratuity (unfunded)	106.01	82.00
Leave Encashment (unfunded)	9.11	4.27
<b>Total</b>	<b>115.12</b>	<b>86.27</b>



Notes forming part of the financial statement as at 31st March, 2017

(Figures in ₹ Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
<b>5 Short Term Borrowings :</b>		
<b>Secured</b>		
<b>(a) Loans repayable on demand</b>		
(i) Andhra Bank	1157.05	1221.24
(ii) State Bank of Hyderabad	429.73	476.85
(iii) Andhra Bank (Adhoc)	-	226.99
	<b>1586.78</b>	<b>1925.08</b>
I. Working Capital Loans referred above are secured by way of hypothecation of Raw materials, Stock in process, finished goods and stores and spares and book debts of the Company and also secured by way of second charge on fixed assets of the company on pari passu basis and guaranteed by two Directors and relatives of directors the Company.		
<b>(b) Other loans and advances</b>		
<b>Vehicle Purchase Loan :</b>		
Mahindra And Mahindra Financial Services Ltd	1.68	1.75
Kotak Mahindra Bank Ltd.	-	0.52
	<b>1.68</b>	<b>2.27</b>
<b>Total</b>	<b>1588.46</b>	<b>1927.35</b>
<b>6 Trade Payables :</b>		
Dues to: Small and Micro Enterprises (Refer to note No.36)	86.44	48.89
: Other than Small and Micro Enterprises	1773.87	1442.23
<b>Total</b>	<b>1860.31</b>	<b>1491.12</b>



Notes forming part of the financial statement as at 31st March, 2017

(Figures in ₹ Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
<b>7 Other Current Liabilities :</b>		
(a) Current maturities of long-term debt		
i. Term loans from banks		
a) ICICI Bank Ltd	-	29.23
b) Andhra Bank-I	14.87	30.87
c) Andhra Bank -II	565.90	336.00
d) Andhra Bank -III	126.80	45.60
e) Andhra Bank - Corporate Loan	117.50	50.00
f) State Bank of Hyderabad- Additional Term loan	50.50	22.00
	<b>875.57</b>	<b>513.70</b>
(b) Interest accrued and due		
Andhra Bank - TL	257.55	80.58
Andhra Bank - WC	18.87	8.06
State Bank of Hyderabad -TL	40.39	-
State Bank of Hyderabad -WC	29.70	-
ICICI Bank Limited -TL	-	0.38
(c) Other payables	241.18	217.74
(d) Other payables - Statutory dues	41.06	13.33
(e) Salary & Reimbursements	125.39	80.99
(f) Contribution to PF & ESI	76.73	9.61
(g) Bonus Payable	36.71	19.92
(h) Advances received against sales	29.58	-
	<b>897.16</b>	<b>430.61</b>
<b>Total</b>	<b>1772.73</b>	<b>944.31</b>
<b>8 Short Term Provisions :</b>		
<b>Provision for employee benefits</b>		
Gratuity (unfunded)	1.52	5.48
Leave Encashment (unfunded)	0.25	1.31
<b>Total</b>	<b>1.77</b>	<b>6.79</b>



Notes forming part of the financial statement as at 31st March, 2017

(Figures in ₹ Lakhs)

## 9 Fixed Assets

Particulars	Gross Block			Accumulated Depreciation / Amortisation			Net Block	
	Balance As at 1 April 2016	Additions	Disposals	Balance as at 1 April 2016	Depreciation for the year	On disposals	Balance as at 31st March 2017	Balance as at 31st March 2016
<b>a Tangible Assets</b>								
Land	8.62	-	-	-	-	-	8.62	8.62
<b>Buildings :</b>								
Factory Buildings	462.98	310.49	-	288.82	22.32	-	462.33	174.16
Non Factory Buildings- Non Resident	85.04	-	-	25.27	1.28	-	58.49	59.77
- Resident	107.94	-	-	21.91	1.70	-	84.33	86.03
<b>Plant and Equipment :</b>								
Plant And Machinery	3,827.15	3,346.59	55.16	3078.52	168.18	52.06	3,923.94	748.63
Testing Equipment	14.19	-	-	13.44	0.03	-	0.72	0.76
Canteen Equipment	1.26	-	-	0.32	0.13	-	0.81	0.94
Electrical Installations	114.04	48.44	-	93.72	7.53	-	61.23	20.32
Workshop Equipment	1.22	-	-	1.16	-	-	0.06	0.06
Weighing Machines	9.26	0.90	-	5.31	0.67	-	4.18	3.95
Water Works	11.49	-	-	10.86	0.05	-	0.58	0.63
Furniture and Fixtures	17.78	-	-	15.46	0.50	-	1.82	2.32
Office Equipment	16.74	0.25	-	13.65	0.66	-	2.68	3.09
Air Conditioners	11.00	22.14	-	6.97	2.75	-	23.42	4.03
Vehicles	108.30	-	-	56.02	11.93	-	40.35	52.28
Data Processing	44.48	0.11	-	38.01	2.81	-	3.77	6.47
<b>Total</b>	<b>4841.49</b>	<b>3,728.92</b>	<b>55.16</b>	<b>3669.44</b>	<b>220.54</b>	<b>52.06</b>	<b>4677.33</b>	<b>1172.06</b>
<b>b Intangible Assets</b>								
Computer software	2.56	-	-	2.44	-	-	0.13	0.13
<b>Total</b>	<b>2.56</b>	<b>-</b>	<b>-</b>	<b>2.44</b>	<b>-</b>	<b>-</b>	<b>0.13</b>	<b>0.13</b>
<b>c Capital Work In Progress</b>								
	3361.22	568.08	3,728.92	200.38	-	-	200.38	3361.22
<b>Total</b>	<b>3361.22</b>	<b>568.08</b>	<b>3,728.92</b>	<b>200.38</b>	<b>-</b>	<b>-</b>	<b>200.38</b>	<b>3361.22</b>
<b>Total (a+b+c)</b>	<b>8205.27</b>	<b>4297.00</b>	<b>3784.08</b>	<b>8718.19</b>	<b>220.54</b>	<b>52.06</b>	<b>4877.84</b>	<b>4533.41</b>
Less: Internal Transfer	3,728.92	3,728.92	3,728.92	3671.88	220.54	52.06	3840.36	4533.41
<b>Total</b>	<b>8205.27</b>	<b>568.08</b>	<b>55.16</b>	<b>3671.88</b>	<b>220.54</b>	<b>52.06</b>	<b>4877.84</b>	<b>4533.41</b>
Previous Year	7172.68	1155.22	122.63	3676.69	111.69	116.50	4533.40	3495.97



Notes forming part of the financial statement as at 31st March, 2017

(Figures in ₹ Lakhs)

Particulars	Face Value	No. of Shares	As at 31st March, 2017	As at 31st March, 2016
<b>10 Non-current Investments :</b>				
<b>A At Cost - Non-Trade - Unquoted :</b>				
<b>Investments in controlled entities</b>				
Seshadri Power And Infrastrucure Pvt Limited	10	589000	-	58.90
<b>Total</b>			-	58.90
<b>11 Long Term Loans and Advances :</b>				
<b>a. Deposits Recoverable</b>				
(Unsecured considered good)			105.65	110.29
(Electricity and other deposits)				
			105.65	110.29
<b>12 Inventories :</b>				
(Valued and certified by the Management)				
a. Raw Materials			906.56	1,100.16
(Valued at cost on weighted average basis)				
b. Stores and spares			235.55	266.55
(Valued at cost on weighted average basis)				
c. Finished goods				
(Valued at lower of cost or net realisable value basis)				
i. Yarn			260.10	211.85
ii. Garments			26.57	87.50
d. Work-in-progress			188.28	476.53
(Valued at lower of cost or net realisable value basis)				
e. Others - Cotton & PV Waste (at realisable value)			7.98	18.38
<b>Total</b>			1625.04	2160.97
<b>Details of Raw Materials :</b>				
Cotton			85.32	354.35
Polyster Staple Fibre			3.22	6.85
Viscose Staple Fibre			-	6.69
Yarn			165.80	210.49
Stocks Of Dyed Fabric			652.22	521.77
<b>Total</b>			906.56	1100.15



Notes forming part of the financial statement as at 31st March, 2017

(Figures in ₹ Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
<b>13 Trade Receivables :</b>		
(Unsecured, considered good)		
Receivables for a period exceeding six months	26.01	24.04
Receivables for a period less than six months	191.74	370.09
<b>Total</b>	<b>217.75</b>	<b>394.13</b>
<b>14 Cash and cash equivalents :</b>		
Cash on hand	3.36	6.86
Balances with Banks		
With Scheduled Banks	6.57	16.72
Balance with Banks against Margin Money / Guarantees	115.00	134.20
<b>Total</b>	<b>124.93</b>	<b>157.78</b>
<b>15 Short-term loans and advances :</b>		
(Unsecured considered good)		
Advances for Capital purchases	21.58	192.16
Advances for purchases of Raw Material & Stores	105.35	138.42
Advances to Staff	0.67	3.77
Other Advances	-	0.62
<b>Total</b>	<b>127.60</b>	<b>334.97</b>
<b>16 Other Current Assets :</b>		
Interest Receivable	0.64	0.64
Balance with Government Department	39.30	28.01
Subsidies Receivable	16.88	41.46
Export Licence Receivable	405.57	427.70
Pre-paid Expenses	16.37	22.95
Advance Tax (Net of provision)	5.23	4.29
Other advances	24.01	24.01
<b>Total</b>	<b>508.00</b>	<b>549.06</b>



Particulars	Current Year 31st March, 2017	Previous Year 31st March, 2016
<b>17 Sale of Products :</b>		
<b>(a) Domestic Sales</b>		
Yarn	2772.46	5491.03
Sale of Fabric	28.62	-
Cotton Waste	147.66	375.03
Garments	1.49	17.25
<b>Total</b>	<b>2950.23</b>	<b>5883.31</b>
<b>(b) Export Sales</b>		
<b>Direct Exports</b>		
Yarn	-	935.65
Garments	2842.66	3765.86
<b>Total</b>	<b>2842.66</b>	<b>4701.51</b>
<b>Grand Total</b>	<b>5792.89</b>	<b>10584.82</b>
<b>18 Other Income :</b>		
Interest Income	13.89	12.58
Scrap sales	-	8.81
Gain on foreign currency transactions & translation	30.22	-
Export benefits entitlement	321.92	377.74
Credit Balance and Excess provision Written Back	0.24	13.19
Prior Period Income	8.34	1.04
Profit on sale of licence	-	0.63
Profit on sale of Assets	1.10	0.17
Job Work Charges Collected	3.52	3.71
Miscellaneous Receipts	0.52	0.64
<b>Total</b>	<b>379.75</b>	<b>418.51</b>



Notes forming part of the financial statement as at 31st March, 2017

(Figures in ₹ Lakhs)

Particulars	Current Year 31st March, 2017	Previous Year 31st March, 2016
<b>19 Cost of materials consumed :</b>		
Opening Stocks	1100.16	1057.62
Add : Purchases	3724.88	6857.65
<b>Total</b>	<b>4825.04</b>	<b>7915.27</b>
Less : Cost of Raw materials sold	16.59	31.30
Less : Closing Stocks	906.57	1100.16
<b>Total</b>	<b>3901.88</b>	<b>6783.82</b>
<b>Imported and Indigeneous Raw Materials consumed :</b>		
Imported	-	-
Indigeneous	100.00% 3901.88	100.00% 6783.82
<b>Total</b>	<b>100.00% 3901.88</b>	<b>100.00% 6783.82</b>
<b>Details of Raw Material Consumed :</b>		
Cotton	1729.97	5265.09
PSF	730.41	
Yarn	1436.58	1518.73
Cotton fibre	4.92	0.00
<b>Total</b>	<b>3901.88</b>	<b>6783.82</b>
<b>20 Changes in inventories of Finished Goods, work-in-progress and stock-in-trade :</b>		
<b>OPENING STOCKS:</b>		
Yarn	211.85	486.65
Garments	87.50	81.40
Stock-in-Process	476.53	350.46
Cotton waste	18.38	22.56
	<b>794.26</b>	<b>941.07</b>
<b>CLOSING STOCKS:</b>		
Yarn	260.10	211.85
Garments	26.57	87.50
Stock-in-Process	188.28	476.53
Cotton waste	7.98	18.38
	<b>482.93</b>	<b>794.26</b>
<b>(INCREASE)/DECREASE IN STOCKS</b>	<b>311.33</b>	<b>146.81</b>
<b>21 Power and fuel :</b>		
Electricity Charges	637.94	1126.77
Fuel Consumed	13.29	8.30
<b>Total</b>	<b>651.23</b>	<b>1135.07</b>





Notes forming part of the financial statement as at 31st March, 2017

(Figures in ₹ Lakhs)

Particulars	Current Year 31st March, 2017	Previous Year 31st March, 2016
<b>22 Employee Benefits Expense :</b>		
Salaries and incentives	812.14	1083.99
Contributions to Provident Fund	46.19	53.48
Gratuity	22.10	5.05
Contributions to Employee State Insurance	4.45	6.52
Staff welfare expenses	5.56	12.71
<b>Total</b>	<b>890.44</b>	<b>1161.75</b>
<b>23 Finance Cost :</b>		
Interest expense	645.88	421.76
Other borrowing costs	28.08	55.28
<b>Total</b>	<b>673.96</b>	<b>477.04</b>
<b>24 Other Expenses :</b>		
<b>Stores Consumption :</b>		
Consumable Stores	212.96	219.28
Packing Material Consumed	125.10	181.34
	<b>338.06</b>	<b>400.62</b>
<b>Payments to the auditor as</b>		
a. auditor	0.69	0.69
b. for taxation matters	0.34	0.34
c. for Certification	0.18	0.18
	<b>1.21</b>	<b>1.21</b>
Rent	21.48	32.19
Repairs to : Buildings	8.51	10.12
: Machinery	44.36	71.58
: Others	21.27	29.04
Job work charges	252.16	323.59
Insurance	13.41	16.33
Rates and taxes, excluding, taxes on income	11.45	14.21
Printing and Stationery	7.72	12.27
Postage, Telegrams and Telephones	17.63	16.46
Travelling and Conveyance	49.64	60.74
Managerial Remuneration	31.02	31.02
Directors' Sitting Fees	1.06	1.18
Advertisement	2.28	1.51
Commission on Sales	19.62	24.33
Expenses on Sales	211.64	231.81
Legal & Professional Charges	10.76	7.11
Vehicle Maintenance	30.86	27.17
Loss on Sale of Fixed Assets	1.46	1.36
Debit Balances W/o	0.07	0.23
Miscellaneous expenses	76.84	101.44
Loss on foreign currency transactions & translation	5.45	29.88
Prior period items	0.42	1.24
	<b>839.11</b>	<b>1044.81</b>
<b>Grand Total</b>	<b>1178.38</b>	<b>1446.64</b>



Particulars	As at 31st March, 2017	As at 31st March, 2016
<b>25. Contingent Liabilities not provided for :</b>		
a) Against Foreign Bills Discounted	-	63.29
b) Contracts to be executed on Capital Accounts	<b>202.96</b>	223.38
c) 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.	<b>2.44</b>	2.44
d) 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.	<b>5.20</b>	5.20
e) 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 challanged the demand before the Hon'ble High Court, M.P.	<b>20.32</b>	20.32
f) Demand raised by Sales Tax Department for the year 2012-13 on subjecting the Entry tax on capital Goods. The matter is pending in Appeal before the Additional Commissioner of Commercial tax Appeals, Jabalpur, Madhya Pradesh.	<b>22.48</b>	22.48
g) Demand raised by Sales Tax Department for the year 2013-14 on subjecting the Entry tax on capital Goods. The matter is pending in Appeal before the Additional Commissioner of Commercial tax Appeals, Jabalpur, Madhya Pradesh.	<b>1.96</b>	1.96
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 ₹ 41 lacs and ₹ 443 lacs for the assessment years 2010-11 and 20 11-12 respectively. In the event of the liability being crystallized, the liability shall be shared by Suryavanshi Spinning Mills Limited (Demerged Company), Aananda Lakshmi Spinning Mills Limited (Resulting Company 1) and Sheshadri Industries Limited (Resulting Company 2) equally, since the Company is demerged on 01-04-2013 (Appointed Date) as per the Scheme of Arrangement approved by Hon'ble High Court at Hyderabad.How ever, the relief sought by the company is being heard by BIFR and the proceedings are awaited.		



Notes forming part of the financial statement as at 31st March, 2017

(Figures in ₹ Lakhs)

26. The Company has recorded a net loss of ₹ 1655.11 lakhs for the year and has accumulated losses of ₹ 2009.72 lakhs as at March 31, 2017 resulting in complete erosion of the net worth and current liabilities exceed current asset by ₹ 2619.96 lakhs. Further, there were lower cash inflows from the existing business activities. The Company has defaulted in payment of dues to banks/financial institutions and could not comply with the terms of sanction and/or repayment schedules of the lending institutions and Banks. As the management of the Company is of the view that financial institutions would restructure the loans and viable rehabilitation package can be worked out, the accompanying financial statement have been prepared on a "going concern" basis.

Particulars	As at 31st March, 2017	As at 31st March, 2016
<b>27. Expenditure in Foreign currency during the year on account of :</b>		
a) Commission on Exports	11.97	6.77
b) Foreign Travel	18.39	33.61
<b>28. Value of imports calculated on CIF basis in respect of</b>		
a) Purchase of Machinery	-	769.97
b) Purchase of Stores & Spares	85.34	87.82
<b>29. Earnings in Foreign Exchange:</b>		
F O B value of exports	2751.66	4647.97
<b>30. Composition of Net Deferred Tax Asset/(Liability) :</b>		
Components of Deferred Tax		
Deferred Tax Asset on account of		
carry forward Loss	1711.36	763.13
Employee Benefits	38.65	30.19
	1750.01	793.32
Deferred Tax Liability on account of:		
Depreciation	575.04	222.55
Deferred revenue Expenses		
	575.04	222.55
Deferred Tax Asset/(Liability) (Net)	1174.97	570.77

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



**31. Related party disclosure :**

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

Name of the Party	Relationship	Name of Transaction	As at 31st March, 2017	As at 31st March, 2016
<b>a. Transactions during the year</b>				
Key Management				
Sri J.K.Agarwal Managing Director	Key Management	Remuneration	33.52	33.62
		Unsecured Loan	20.00	11.00
Relatives				
Mrs. Meenal Agarwal	Wife of Sri J.K. Agarwal	Rent	6.75	9.00
Mr. Devansh Agarwal	Son of Sri J.K. Agarwal	Rent	6.75	9.00
M/s.Fortune Eagle (Hk) Trading Limited	Enterprise in which the Key management personnel and relatives are interested	Sale of garments	2429.40	3134.95
		Purchase of Spares	11.87	
M/s. Suryavanshi Spinning Mills Limited	Enterprise in which the Key management personnel and relatives are interested	Sale of Fibre	87.42	282.10
		Sale of Machinery	1.79	0.51
M/s. Aananda Lakshmi Spinning Mills Limited	Enterprise in which the Key management personnel and relatives are interested	Purchase of Yarn	46.12	0.01
		Sale of Raw Material & Spares	9.75	-
		Sale of Machinery	1.02	4.54
		Purchase of Machinery	113.44	-
M/s.Venkateshwara Appearals	Enterprise in which the Key management personnel and relatives are interested	Job work	22.71	158.67
M/s.Aadya Garments	Enterprise in which the Key management personnel and relatives are interested	Job work	24.08	53.00
M/s. Suryalakshmi Cotton Mills Limited	Enterprise in which the Key management personnel and relatives are interested	Interest on Unsecured Loan	2.70	2.42
<b>b. Payable as at 31.03.2017</b>				
M/s.Fortune Eagle (Hk) Trading Limited	Enterprise in which the Key management personnel and relatives are interested	Purchase of Spares	3.93	-
M/s. Suryalakshmi Cotton Mills Limited	Enterprise in which the Key management personnel and relatives are interested	Unsecured Loan	23.23	20.79



Notes forming part of the financial statement as at 31st March, 2017

(Figures in ₹ Lakhs)

Name of the Party	Relationship	Name of Transaction	As at 31st March, 2017	As at 31st March, 2016
M/s. Aananda Lakshmi Spinning Mills Limited	Enterprise in which the Key management personnel and relatives are interested	Purchase of Machinery & Raw Materials	137.20	-
M/s.Venkateshwara Apparels	Enterprise in which the Key management personnel and relatives are interested	Advance against Job work	3.99	4.80
M/s.Aadya Garments	Enterprise in which the Key management personnel and relatives are interested	Job work	5.63	3.62
Sri J.K.Agarwal Managing Director	Key Management	Unsecured Loan	100.47	80.47
Mrs. Meenal Agarwal	Wife of Sri J.K. Agarwal	Unsecured Loan	24.26	24.26
		Rent payable	5.88	-
Mr. Devansh Agarwal	Son of Sri J.K. Agarwal	Unsecured Loan	16.45	16.45
		Rent payable	5.55	-
Jeetender Kumar Agarwal (Huf)	Enterprise in which the Key management personnel and relatives are interested	Unsecured Loan	9.82	9.82
<b>c. Receivable as at 31.03.2017</b>				
M/s.Fortune Eagle (Hk) Trading Limited	Enterprise in which the Key management personnel and relatives are interested	Sale of garments	111.41	152.22
M/s. Aananda Lakshmi Spinning Mills Limited	Enterprise in which the Key management personnel and relatives are interested	Sale of Machinery	-	5.41
M/s. Suryavanshi Spinning Mills Limited	Enterprise in which the Key management personnel and relatives are interested	Sale of Fibre	0.30	57.45
M/s. Suryavanshi Industries Limited	Enterprise in which the Key management personnel and relatives are interested	Sale of Packing Material	0.84	0.84
Sheshadri Power And Infrastructure Private Limited	Enterprise in which the Key management personnel and relatives are interested	Investment	-	58.90



Notes forming part of the financial statement as at 31st March, 2017

(Figures in ₹ Lakhs)

### 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.

Profit and Loss account:	As at 31st March, 2017		As at 31st March, 2016	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Current service cost	8.75	0.67	4.30	0.68
Interest cost	7.00	0.45	6.73	0.26
Actuarial Gain / loss	6.35	4.31	(5.97)	10.30
Net benefit expense	22.10	5.43	5.06	11.24
<b>Balance Sheet:</b>				
Opening balance of benefit obligations	87.48	5.58	84.15	3.30
Current service cost	8.75	0.67	4.30	0.68
Interest cost	7.00	0.45	6.73	0.26
Actuarial Gain / loss	6.35	4.31	(5.97)	10.30
Benefits paid	(2.05)	(1.64)	(1.72)	(8.96)
Closing balance of benefit obligations	107.53	9.37	87.49	5.58
The principal assumptions used in determining the Gratuity benefits obligation for the Company's plan are as under:				
Discount rate	7%	7%	8%	8%
Further salary raise	5.5%	5.5%	7%	7%

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

Net profit available for Equity Share Holders	(1655.11)	(283.91)
Weighted average Number of Equity Shares	4959577	4959577
Basic and Diluted Earnings per Share	(33.37)	(5.72)



**Notes forming part of the financial statement as at 31st March, 2017**

(Figures in ₹ Lakhs)

34. During the year 2005-06, the company recognized an income of ₹ 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 ₹ 121.86 lakhs @ 5% and for the balance 10%, the Company has contested before the Hon'ble High Court at Mumbai for the retrospective reduction of the export incentive by the Government of India. The High Court has granted an interim stay of the notification and the matter is pending for final orders. Since the issue involved in these appeals is the same transfer petitions were filed by the union of India seeking transfer of all these cases and to be heard along with Hon'ble Supreme Court heard and held that Notification No.8/2006 MANU/DGFT/0109/2006 dt.12th June, 2006 cannot be applied retrospectively and they would be effective only from the dates they were issued consequently own company will be eligible target plus license of ₹ 2.17 Crores. DGFT is yet to issue the detailed modalities for issue of Target plus License.

35. Details of Specified bank notes held and transacted during the period from 8th November, 2016 to 30th December 2016 as per Notification No. G.S.R. 308(E) of 2017

Particulars	Specified bank notes	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	-	0.75	0.75
(+) Permitted receipts	-	6.14	6.14
(-) Permitted Payments	-	4.53	4.53
(-) Amount deposited in Banks	-	0.05	0.05
Closing cash in hand as on 30.12.2016	-	2.31	2.31

36. The information with regard to Micro, Small and Medium Enterprises has been determined to the extent such parties could be identified on the basis of the information available with the company. Accordingly, the trade payables include ₹ 77.44 lakhs due to them for a period exceeding 30 days and the company has not provided any interest for the delay in payments as the company is in the process of settling the dues with the parties amicably.
37. Segment reporting is not applicable since the Company operates in single segment i.e., Textile product
38. Previous year's figures have been regrouped wherever necessary to conform to this year's classification.



### 39. 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 useful lives prescribed in Schedule II to the Companies Act, 2013.

#### 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 charged 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 are 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.





Notes forming part of the financial statement as at 31st March, 2017

(Figures in ₹ Lakhs)

**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.

per our report of even date

For and on behalf of Board of Directors

For **Brahmayya & Co.**

Chartered Accountants

Firms' Registration Number: 000513S

**J.K. Agarwal**

Managing Director & CFO

**K.Shravan**

Partner

Membership Number:215798

**B.R.S. Reddy**

Vice president (Corp. Affairs)  
and Company Secretary)

**Surender kumar Agarwal**

Director

Place: Hyderabad

Date: 27th May, 2017



## Cash Flow statement for the year ended 31st March, 2017

(Figures in ₹ Lakhs)

Particulars	for the year ended 31.03.2017	for the year ended 31.03.2016
<b>A. Cash Flow From Operating Activities</b>		
Net Profit/ (loss) before tax and extraordinary items	(1655.11)	(283.91)
<b>Adjustments for:</b>		
Finance Charges	645.88	421.76
Depreciation	220.53	111.69
Excess Provision & Credit Balance Written Back	(0.24)	(13.19)
Interest Earned	(13.89)	(12.58)
Profit on Sale of Fixed Assets (net)	0.36	1.18
	852.64	508.86
<b>Operating profit before working capital changes</b>	(802.47)	224.95
<b>Adjustments for</b>		
(Increase)/Decrease in Inventories	535.92	18.13
(Increase)/Decrease in Trade Receivables	176.39	340.58
(Increase)/Decrease in Long-term loans and advances	4.64	(13.26)
(Increase)/Decrease in Short-term loans and advances	207.38	(171.10)
(Increase)/Decrease in Other current assets	42.01	266.07
Increase/(Decrease) in Trade payables	369.19	(371.03)
Increase/(Decrease) Other current liabilities	466.80	(50.16)
Increase/(Decrease) Short-term provisions	(5.02)	(0.01)
Increase/(Decrease) Long-term provisions	28.85	5.62
	1826.16	24.84
Cash generated from Operations	1023.69	249.79
Direct taxes paid (Including TDS receivable)	(0.94)	(4.29)
<b>Liabilities</b>	1022.75	245.50
<b>B. Cash Flow From Investing Activities</b>		
Acquisition of Fixed Assets (Including Capital Work in progress)	(568.08)	(1155.22)
Proceeds from sale of Assets	2.75	4.95
Cost of Investments	58.90	-
Interest Received	13.89	11.94
<b>Net cash used in investing Activities ( B )</b>	(492.54)	(1138.33)



Notes forming part of the financial statement as at 31st March, 2017

(Figures in ₹ Lakhs)

Particulars	for the year ended 31.03.2017	for the year ended 31.03.2016
<b>C. Cash Flow From Financing Activities:</b>		
Proceeds from Term loans	453.26	1065.69
Repayment of Term loans	(386.98)	(254.75)
Proceeds from working capital loans	-	312.04
Repayment of working capital loans	(338.30)	-
Proceeds from Vehicle Loans	-	(0.33)
Repayment of Vehicle loans	(2.27)	(7.32)
Proceeds from unsecured loans	357.12	198.65
Interest paid	(645.88)	(421.76)
<b>Net Cash used in Financing Activities ( C )</b>	<b>(563.05)</b>	<b>892.21</b>
<b>Net Increase/(Decrease) in cash and cash equivalents (A+B+C)</b>	<b>(32.84)</b>	<b>(0.62)</b>
Cash/Cash Equivalents at the Beginning of the year	157.78	158.40
Cash/Cash Equivalents at the end of the year	124.93	0.62

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

per our report of even date

For and on behalf of Board of Directors

For **Brahmayya & Co.**  
Chartered Accountants  
Firms' Registration Number: 0005135

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

**K.Shravan**  
Partner  
Membership Number:215798

**B.R.S. Reddy**  
Vice president (Corp. Affairs)  
and Company Secretary)

**Surender kumar Agarwal**  
Director

Place: Hyderabad  
Date: 27th May, 2017



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

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

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

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

**CIN: L17291TG2009PLC064849**

**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 8th Annual General Meeting of the Sheshadri Industries Ltd held on Friday, 29th day of September, 2017 at 09.45 A.M. at **Sri Raja Rajeshwari Gardens, Survey No. 26, Sikh Village, Near Diamond Point Hotel, Secunderabad – 500 009.**

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

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

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

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

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

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

**CIN: L17291TG2009PLC064849**

**PROXY FORM**

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

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

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

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



as my/ our proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the Annual General Meeting of the company, to be held on Friday, 29th day of September, 2017 at 09.45 A.M. at **Sri Raja Rajeshwari Gardens, Survey No. 26, Sikh Village, Near Diamond Point Hotel, Secunderabad – 500 009** or at any adjournment thereof in respect of such resolutions as are indicated below:

Sl. No.	Particulars	FOR	AGAINST
	<b>Ordinary Business</b>		
1	To receive, consider and adopt the Audited Financial Statements for the financial year ended 31st March, 2017 and the Reports of the Directors and Auditors thereon		
2	To appoint a director in place of Sri Jeetender Kumar Agarwal, who retires by rotation and, being eligible offers himself for re-appointment		
3	Appointment of Statutory Auditors and fix their remuneration		
	<b>Special Business</b>		
4	Appointment of Sri Jeetender Kumar Agarwal as Managing Director of the Company for the period of 3 years		
5	To create Mortgage and charge over Company's movable and immovable properties in favor of Bank and Institutions		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2017

Signature of Shareholder

Signature of Proxyholder(s)

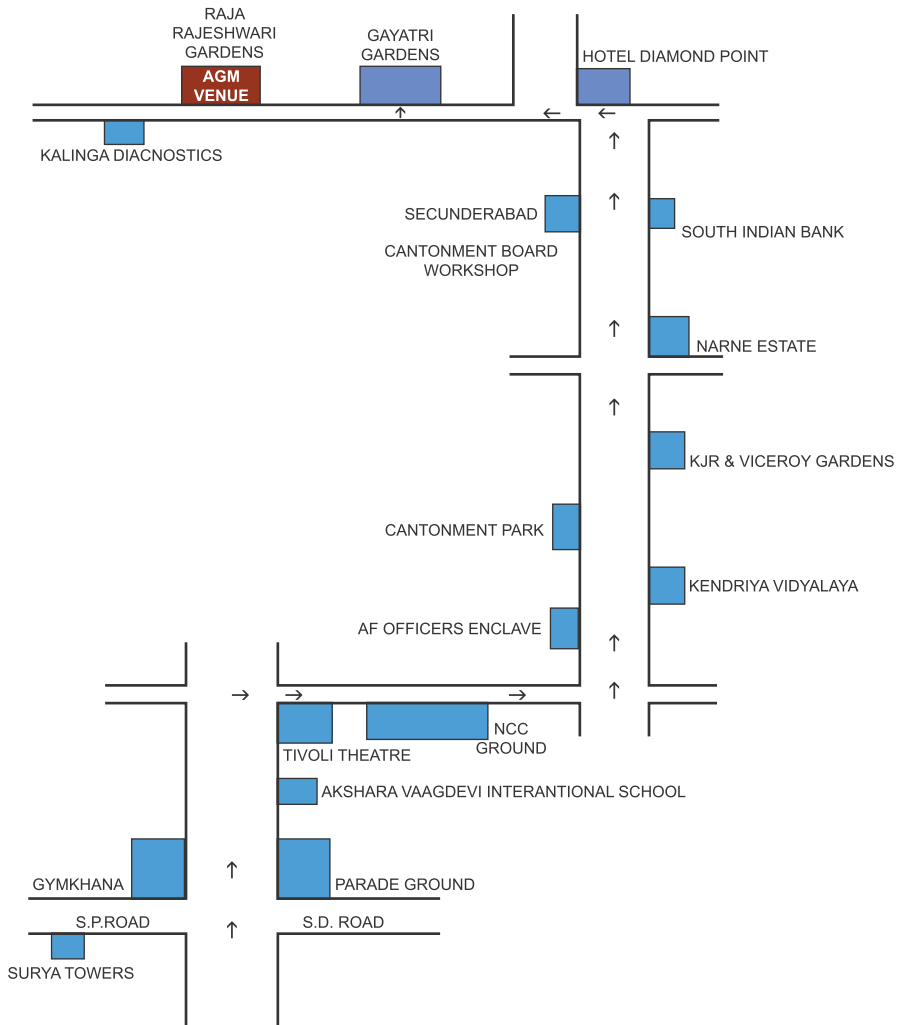
Affix  
Revenue  
Stamp

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

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ROUTE MAP TO AGM VENUE





Printed Matter

# WOODSIDE

A Product of Sheshadri

**Sheshadri Industries Ltd,**

a leading manufacturer and  
exporter of polo shirts in India,  
brings to you **Woodside**,  
an exclusive collection of **Polo Shirts**  
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**S HESHADRI INDUSTRIES LIMITED**

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

Phone: 91-40-30512700,

Fax: 91-40-30512725

Email: [info@sheshadri.in](mailto:info@sheshadri.in), Website: [www.sheshadri.in](http://www.sheshadri.in)

CIN: L17291TG2009PLC064849