



SVSM/RO/SEC/BSE/2014-15

3rd September, 2014

To

BOMBAY STOCK EXCHANGE LIMITED
PHIROZE JEEJEEBHOY TOWERS
DALAL STREET
MUMBAI – 400 001

Kind Attn: Mr. Shyam Bhagirath,

Sub: Approval of Audited Results for FY 2013-14 pursuant to the sanction of the Scheme of Arrangement by

the Hon'ble High Court

Ref: Company Name: Suryavanshi Spinning Mills Limited

Scrip Code: 514140

In continuation to our earlier letter dated September 3, 2014, we have to submit that the Board of Directors at their meeting held on 3rd September, 2014 has inter-alia approved Audited Financial results of the Company for the financial year ended 31st March 2014 pursuant to the sanction of the Scheme of Arrangement by Hon'ble High Court at Hyderabad vide its Orders dated July 30, 2014, between Suryavanshi Spinning Mills Ltd (Demerged Company), Aananda Lakshmi Spinning Mills Ltd and Sheshadri Industries Ltd and their respective members and creditors for demerger of yarn unit at Bhongir, Telangana of Demerged Company into Aananda Lakshmi Spinning Mills Limited (Resulting Company -1) and yarn unit at Rajna, Madhya Pradesh (along with two Garment divisions Telangana) of Demerged Company into Sheshadri Industries Limited (Resulting Company-2) and retaining yarn unit and medical textile unit at Aliabad, Ranga Reddy Dist. Telangana by Suryavanshi Spinning Mills Ltd. The said Orders of the Hon'ble High Court were filed with Registrar of Companies, at Hyderabad on August 21, 2014 (Effective Date). The Appointed Date for the Scheme of Arrangement was April 1, 2013.

Company submitted and published Audited Results to stock exchange for the financial year 2013-14 which were prepared for the whole units/undertaking of the Demerged Company before Demerger. The attached Audited results for the financial year 2013-14 are prepared for the residual business of Suryavanshi spinning Mills Ltd consisting of Yarn Unit and Medical Textile unit at Aliabad, Medchal, Ranga Reddy Dist., Telangana.

We enclosed Audited financial results for the financial ended 31-03-2014 along Auditors Report issued by the statutory auditors M/s Brahmayya & Co on the operations of the company for the financial year ended 31st March 2014.

Surya
We further inform that the Board of Directors of Aananda Lakshmi Spinning Mills Ltd in its meeting held on September 3, 2014 approved Audited financial results FY 2013-14 prepared for the yarn unit at Bhongir, Telangan. We enclosed Audited financial results for the financial ended 31-03-2014 along Auditors Report issued by the statutory auditors M/s K.S. Rao & Co on the operations of the company for the financial year ended 31st March 2014.

A Govt. Recognised Export House,

Regd. Office : Surya Towers, 6th Floor, 105, Sardar Patel Road, Secunderabad - 500 003, Telangana State,
India, Ph. +91-40-30512700, Fax : 91-40-27815135/30512725/30512799,

Email : info@suryavanshi.com, Website : www.suryavanshi.com, CIN : L14220TG1978PLC002390



Further informed that the Board of Directors of Sheshadri Industries Ltd in its meeting held on September 3, 2014 also approved Audited financial results FY 2013-14 prepared for the yarn unit at Rajna, Madhya Pradesh along with two Garment divisions Telangana. We also enclose Audited financial results for the financial ended 31-03-2014 along Auditors Report issued by the statutory auditors M/s K.S. Rao & Co on the operations of the company for the financial year ended 31st March 2014.

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

Thanking You,

Yours faithfully
FOR SURYAVANSHI SPINNING MILLS LTD

A handwritten signature in black ink, appearing to read 'B.R.S. Reddy', is written over the typed name.

B.R.S. REDDY
VICE PRESIDENT (CORP. AFFAIRS) &
COMPANY SECRETARY
Encl: As above

A Govt. Recognised Export House,

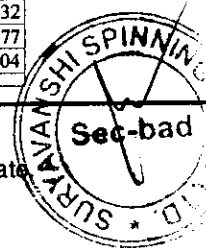
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Suryavanshi

spinning mills ltd.

SURYAVANSHI SPINNING MILLS LIMITED			
Registered Office :Surya towers ,6th Floor,105 S.P Road, Secunderabad -500 003			
Audited financial results for the year ended 31st March 2014			
PART I*		(Figures in Rs. Lacs)	
		Year Ended	
		31-03-2014	31-03-2013
		(Audited)	(Audited)
Particulars			
1	Income from operations :		
(a)	Net Sales/Income from Operations (Net of excise duty)	11293.08	26824.96
(b)	Other Operating Income	-	-
	Total Income from operations (net)	11293.08	26824.96
2	Expenses :		
(a)	Cost of materials consumed	7575.93	18197.04
(b)	Purchases of stock-in-trade	-	511.96
(c)	Changes in inventories of Finished goods, work-in-progress and stock-in-trade	23.69	72.99
(d)	Employees benefits expense	771.35	2198.45
(e)	Power & Fuel	1284.78	3136.18
(f)	Depreciation and amortisation expense	289.15	726.45
(g)	Other Expenses	1007.60	2416.80
	Total expenses :	10952.50	27259.87
3	Prnfit/(Loss) from Operations before Other Income, finance costs and Exceptional Items (1-2)	340.58	(434.91)
4	Other Income	150.63	581.16
5	Prnfit from ordinary activities before finance costs and Exceptional Items (3+4)	491.21	146.25
6	Finance costs	481.50	1165.09
7	Profit from ordinary activities after finance costs but before Exceptional Items (5-6)	9.71	(1018.84)
8	Exceptional Items	-	-
	Fuel Surcharge Adjustment relating to earlier years	-	531.53
9	Profit/(Loss) from ordinary activities before Tax (7-8)	9.71	(1550.37)
10	Tax Expense :	-	-
	Income tax - for earlier years	-	5.27
11	Net Profit(+)/Loss (-) from Ordinary activities after Tax (9-10)	9.71	(1555.64)
12	Extraordinary Items (net of tax expense Rs. Lakhs)	-	-
13	Net Profit(+)/(Loss) (-) for the period (11-12)	9.71	(1555.64)
14	Paid-Up Equity Share Capital (Face value -Rs 10)	490.85	1326.64
15	Reserves excluding Revaluation reserves as per balance sheet of previous accounting year	-	1457.68
16i	Earnings Per Share (before extraordinary Items) (of Rs.10/- each)(not annualised):		
(a)	Basic	0.20	(11.73)
(b)	Diluted	0.20	(11.73)
16ii	Earnings Per Share (after extraordinary items) (of Rs.10/- each)(not annualised):		
(a)	Basic	0.20	(11.73)
(b)	Diluted	0.20	(11.73)
PART II			
A PARTICULARS OF SHAREHOLDING			
1	Public share holding		
	- Number of Shares	2058076	5562360
	- Percentage of Share holding	41.93	41.93
2	Promotor and Promotor group shareholding		
a)	Pledged/Encumbered		
	-Number of shares	0	402631
	-Percentage of shares (as a % of the total shareholding of promoter and promoter group)	-	5.23
	-Percentage of shares (as a % of the total share capital of the company)	-	3.03
b)	Non-Encumbered		
	-Number of shares	2850500	7301432
	-Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00	94.77
	-Percentage of shares (as a % of the total share capital of the company)	58.07	55.04

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 Email : info@suryavanshi.com, Website : www.suryavanshi.com, CIN : L14220TG1978PLC002390





Suryavanshi

spinning mills Ltd.

Particulars		
B INVESTOR COMPLIANTS		
Pending at the beginning of the quarter	Nil	Nil
Received during the quarter	Nil	Nil
Disposed of during the quarter	Nil	Nil
Remianing unresolved at the end of the quarter	Nil	Nil

STATEMENT OF ASSETS AND LIABILITIES AS AT THE END OF THE YEAR		(Figures in Rs. Lacs)	
Particulars	31-03-2014 AUDITED	As at	
		31-03-2013 AUDITED	
A EQUITY AND LIABILITIES :			
1 SHAREHOLDERS' FUNDS :			
(a) Share Capital	491.08	1326.87	
(b) Reserves and Surplus	921.95	1457.69	
Sub-Total - Shereholders' funde :	1413.03	2784.56	
2 Non-current llabillitiae			
(a) Long-term borrowings	758.45	3572.58	
(c) Long-term provislons	57.40	167.73	
Sub-Total - Non-current llabillitiae :	815.85	3740.31	
3 Current llabillitiae			
(a) Short-term borrowings	1271.80	5654.87	
(b) Trade payables	1693.25	4728.97	
(c) Other current llabillitiae	672.81	2013.02	
(d) Short-term provisions	5.04	65.82	
Sub-Total - Current llabillitiae :	3642.90	12462.68	
TOTAL - EQUITY AND LIABILITIES :	5871.78	18987.55	
B ASSETS :			
1 Non-current Assets :			
(a) Fixed assets	3386.35	9771.38	
(b) Intangible assets	0.13	0.38	
(c) Non-current investmants	4.97	4.97	
(d) Long-term loans and advances	231.51	547.33	
Sub-Total - Non-current aseets :	3622.96	10324.06	
2 Current Aseets :			
(a) Inventories	994.14	4353.03	
(b) Trade receivables	665.75	2182.73	
(c) Cash and cash equivalents	147.03	490.51	
(d) Short-term loans and advances	55.71	419.88	
(e) Other current assets	386.19	1217.34	
Sub-Total - Current esseets :	2248.82	8663.49	
TOTAL - ASSETS :	5871.78	18987.55	

NOTES:

- The above Audited results were reviewed and recommended by the Audit Committee were approved by the Board of Directors at their meeting held on 3rd Septamber 2014
- The figures of the full financial year endad 31.03.2014 end 31.03.2013, respectively
- Previous figures hava been regrouped and rearranged wherever necessary.
- Hon'ble High Court at Hyderabad approvad vida its Orders dated July 30,2014, tha Scheme of Arrangement by way of Demerger between Suryavanshi Spinning Mills Ltd, Aananda Lakshmi Spinning Mills Ltd and Shashadri Industries Ltd and thair respective members and creditors for demeger of yam unit at Bhongir, Telangana into Aananda Lakshmi Spinning Mills Limited (Resulting Comapny -1) and yam unit at Rajna,Medhya Pradesh (along with two Garment divisions Talengane) into Sheshadri Industries Limited (Resulting Company-2) and retaining yam unit and medical textile unit at Aliabad ,Ranga Reddy Dist.Telangana. The said Orders of the Hon'bla High Coulrt were filed with Registrar of Companies,at Hyderabad on August 21, 2014(Effectiva Date).The Appointed Data for tha Scheme for Arrangement was April 1, 2013. Company submittad and published Auditaed Results to stock exchange for tha financial yaar 2013-14 which were prepared for tha whole units/undertaking of the comopany before Demerger. The above Audited results for tha financial iyaar 2013-14 are prepared for the residulal business of tha comopny consisting of Yam Unit and Medical Textile unit at Aliabad, Medchal, Ranga Raddy Dist., Telangana.

Secunderabad
03rd Sep,2014

for SURYAVANSHI SPINNING MILLS LIMITED

J K AGARWAL
EXECUTIVE DIRECTOR

A Govt. Recognised Export House,

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India, Ph. +91-40-30512700, Fax : 91-40-27815135/30512725/30512799,
Email : info@suryavanshi.com, Website : www.suryavanshi.com, CIN : L14220TG1978PLC002390



CHARTERED ACCOUNTANTS

VIJAYAWADA, HYDERABAD, VISAKHAPATNAM, GUNTUR, KAKINADA, TANUKU, ALSO AT CHENNAI, BANGALORE AND ADONI.

INDEPENDENT AUDITOR'S REPORT

To the Members of **SURYAVANSHI SPINNING MILLS LIMITED, SECUNDERABAD.**

Report on the Financial Statements:

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

Management's Responsibility for the Financial Statements:

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

Auditor's Responsibility:

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

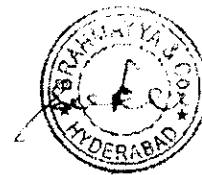
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or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

In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

for Suryavanshi Spinning Mills Ltd.

CERTIFIED TRUE COPY


(B. R. S. REDDY)
COMPANY SECRETARY



403 & 404, Golden Green Apartments, Irrum Manzil Colony, Hyderabad - 500 082.
Phones : (040) - 2337 0002/4, Fax : 2337 0005, E-mail : hydbrahmayya@gmail.com



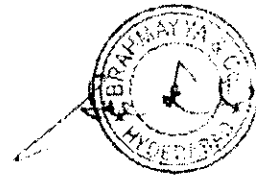
Opinion:

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

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

Report on Other Legal and Regulatory Requirements:


1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books ;
 - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;





- e. On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441 A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

for BRAHMAYYA & CO.
Chartered Accountants.
Firm's Regn. No.0005135


(K.S.RAO)
Partner



Membership No.015850

Place: Hyderabad
Date : September 03, 2014

ANNEXURE TO THE AUDITORS' REPORT

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

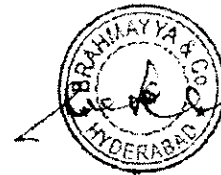
1.
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b. As explained to us, the management has physically verified most of the fixed assets during the year and there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of the assets. No material discrepancies were noticed on such verification.
 - c. The fixed assets disposed off during the year are not substantial and hence it has not affected the going concern status of the Company
2.
 - a. The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - b. In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - c. The Company is maintaining proper records of inventory. The discrepancies noticed on physical verification between the physical stocks and book records were not material.
3. The Company has not taken/granted any loans, secured or unsecured to Companies, firms or other parties covered in the Register maintained under Section 301 of the Act. Hence, provisions of clause (iii), (b), (c), (d), (f) and (g) of paragraph 4 are not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and with regard to sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
5.
 - a) In our opinion and according to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register to be maintained under that section.
 - b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.



6. The Company has not accepted any deposits from the public. Hence the provisions of Section 58A, 58AA and other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 are not applicable.
7. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
8. We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 in respect of Textiles and are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
9.
 - a) According to the records the Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it.
 - b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income-Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess were in arrears, as at 31st March, 2014.
 - c) According to the records of the Company and the information and explanations given to us, the dues of sales tax, Income Tax, Customs Duty, Wealth Tax, Service Tax, Excise Duty and Cess which have not been deposited on account of any dispute are as follows :

Sl. No	Nature of the Statute	Nature of the Dues	Amount (Rs)	Period to which the amount relates (Financial Year)	Forum where dispute is pending
1	Andhra Pradesh General Sales Tax (APGST) Act, 1957	Sales Tax dues	24,58,408/-	2001-2002	Hon'ble A.P. High Court, Hyderabad

10. The Company has accumulated losses at the end of the financial year. The Company has not incurred cash losses during the financial year covered by our audit. The Company incurred cash loss immediately in the preceding financial year.
11. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institutions and banks.



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

Place: Hyderabad
Date : September 03, 2014

for BRAHMAYYA & CO.
Chartered Accountants.
Firm Regn. No.0005135


(K.S.RAO)

Partner
Membership No.015850





CERTIFICATE

To the Members of SURYAVANSHI SPINNING MILLS LIMITED, SECUNDERABAD.

We have examined the compliance of conditions of Corporate Governance by SURYAVANSHI SPINNING MILLS LIMITED, SECUNDERABAD, A.P. for the year ended on 31st March, 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of an opinion to the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, the Company has complied with the conditions of Corporate Governance as stipulated in the above listing agreement.

We state that in respect of investor grievances received during the year ended 31st March, 2014, no investor grievances are pending against the Company as per the records maintained by the Company. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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



(K.S.RAO)
Partner
Membership No.015850

Place: Hyderabad
Date : September 03, 2014

SHESHADRI INDUSTRIES LIMITED

SHESHADRI INDUSTRIES LIMITED

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

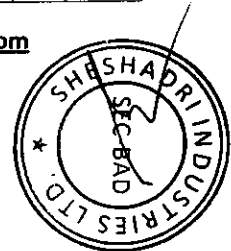
Audited financial results for the year ended 31st March 2014

PART I		(Figures in Rs. Lacs)	
		Year Ended	
Particulars		31-03-2014 (Audited)	31-03-2013 (Audited)
I	Income from operations :		
(a)	Net Sales/Income from Operations (Net of excise duty)	14420.59	-
(b)	Other Operating Income	-	-
	Total Income from operations (net)	14420.59	0.00
2	Expenses :		
(a)	Cost of materials consumed	10598.70	-
(b)	Purchases of stock-in-trade	0.00	-
(c)	Changes in inventories of Finished goods, work-in-progress and stock-in-trade	16.00	-
(d)	Employees benefits expense	1129.96	-
(e)	Power & Fuel	1090.20	-
(f)	Depreciation and amortisation expense	193.17	-
(g)	Other Expenses	1476.78	1.16
	Total expenses :	14504.82	1.16
3	Profit/(Loss) from Operations before Other Income, finance costs and Exceptional Items (1-2)	(84.23)	(1.16)
4	Other Income	759.68	-
5	Profit from ordinary activities before finance costs and Exceptional Items (3+4)	675.45	(1.16)
6	Finance costs	597.19	0.00
7	Profit from ordinary activities after finance costs but before Exceptional Items (5-6)	78.27	(1.16)
8	Exceptional Items	-	-
	Fuel Surcharge Adjustment relating to earlier years	-	-
9	Profit/(Loss) from ordinary activities before Tax (7-8)	78.27	(1.16)
10	Tax Expense :	-	-
	Income tax - for earlier years	-	-
11	Net Profit(+)/Loss (-) from Ordinary activities after Tax (9-10)	78.27	(1.16)
12	Extraordinary Items (net of tax expense Rs. Lakhs)	-	-
13	Net Profit(+)/(Loss) (-) for the period (11-12)	78.27	(1.16)
14	Paid-Up Equity Share Capital (Face value -Rs 10)	495.96	495.96
15	Reserves excluding Revaluation reserves as per balance sheet of previous accounting year		
16i	Earnings Per Share (before extraordinary items) (of Rs.10/- each)(not annualised):		
(a)	Basic	1.58	(0.01)
(b)	Diluted	1.58	(0.01)
16ii	Earnings Per Share (after extraordinary items) (of Rs.10/- each)(not annualised):		
(a)	Basic	1.58	(0.01)
(b)	Diluted	1.58	(0.01)
PART II			
A PARTICULARS OF SHAREHOLDING			
1	Public share holding		
	- Number of Shares	2058077	0
	- Percentage of Share holding	41.50	0.00
2	Promotor and Promotor group shareholding		
a)	Pledged/Encumbered		
	-Number of shares	-	-
	-Percentage of shares (as a % of the total shareholding of promoter and promoter group)	-	-
	-Percentage of shares (as a % of the total share capital of the company)	-	-
b)	Non-Encumbered		
	-Number of shares	2901500	10000
	-Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00	100.00
	-Percentage of shares (as a % of the total share capital of the company)	58.50	100.00

Regd. Office: Surya Towers, 6th Floor, 105, Sardar Patel Road, Secunderabad-500003

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SHESHADRI INDUSTRIES LIMITED

Particulars		
B INVESTOR COMPLIANTS		
Pending at the beginning of the quarter	Nil	Nil
Received during the quarter	Nil	Nil
Disposed of during the quarter	Nil	Nil
Remianing unresolved at the end of the quarter	Nil	Nil

STATEMENT OF ASSETS AND LIABILITIES AS AT THE END OF THE YEAR

Particulars	31-03-2014 AUDITED	31-03-2013 AUDITED
A EQUITY AND LIABILITIES :		
1 SHAREHOLDERS' FUNDS :		
(a) Share Capital	495.96	1.00
(b) Reserves and Surplus	214.36	(1.16)
Sub-Total - Shareholdere' funds :	710.32	(0.16)
2 Non-current lleblities		
(a) Long-term borrowings	1515.60	-
(c) Long-term provisions	71.84	-
Sub-Total - Non-current lleblities :	1587.44	-
3 Current liabllitee		
(a) Short-term borrowings	1887.61	-
(b) Trade peyables	2227.42	-
(c) Other current liabilities	562.15	0.53
(d) Short-term provisions	5.51	-
Sub-Total - Current lleblities :	4682.68	0.52
TOTAL - EQUITY AND LIABILITIES :	6980.44	0.37
B ASSETS :		
1 Non-current Assets :		
(a) Fixed assets	3438.19	-
(b) Intangible assets	0.13	-
(c) Long-term loans and advances	142.01	-
Sub-Total - Non-current essets :	3580.33	0.00
2 Current Assets :		
(a) Inventories	1634.05	-
(b) Trade recelvables	781.97	-
(c) Cash and cesh equivelents	116.02	0.10
(d) Short-term loans end advances	138.26	-
(e) Other current assets	729.81	0.27
Sub-Total - Current assets :	3400.11	0.37
TOTAL - ASSETS :	6980.44	0.37

NOTES:

- 1 The above Audited results were reviewed and recommended by the Audit Committee were approved by the Board of Directors at their meeting held on 3rd September 2014.
- 2 The figures of the full financial year ended 31.03.2014. and 31.03.2013, respectively
- 3 Previous figures have been regrouped and rearranged wherever necessary.
- 4 Hon'ble High Court et Hyderabad approved vide its Orders dated July 30,2014, the Scheme of Arrangement by way of Demerger between Suryavanshi Spinning Mills Ltd, Aananda Lakshmi Spinning Mills Ltd and Sheshadri Industries Ltd and their respective members and creditors for demerger of yam unit et Bhongir, Telangane into Aanenda Lakshmi Spinning Mills Limited (Resulting Comapny -1) end yem unit et Rajna, Madhye Pradesh (along with two Garment divisions Telangana) into Sheshadri Industries Limited (Resulting Compeny-2) and retaining yem unit and medical textile unit et Allabad ,Range Reddy Dist.Telangana. The said Orders of the Hon'ble High Couirt were filed with Registrar of Companies,at Hyderabad on August 21, 2014(Effective Date).The Appointed Date for the Scheme for Arrangement was April 1, 2013. The above Audited results for the financial lyear 2013-14 ere prepared for the yem unit at Rejna, Madhye Pradesh along with two Garment divisions Telangana.

for SHESHADRI INDUSTRIES LIMITED

Secunderabad
3rd Sep,2014


 J.K. AGARWAL
 MANAGING DIRECTOR

Regd. Office: Surya Towers, 6th Floor, 105, Sardar Patel Road, Secunderabad-500003
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 U17291AP2009PLC064849



INDEPENDENT AUDITOR'S REPORT

To the Members of **SHESHADRI INDUSTRIES LIMITED, SECUNDERABAD.**

Report on the Financial Statements:

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

Management's Responsibility for the Financial Statements:

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

Auditor's Responsibility:

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

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

In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



**Opinion:**

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

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

Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books ;
 - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;





- e. On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441 A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

for K.S.RAO & CO.
Chartered Accountants.
Firm's Regn. No.000513S

(V.V.RAO)
Partner
Membership No.015850



Place: Hyderabad
Date : September 03, 2014

ANNEXURE TO THE AUDITORS' REPORT

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

1. a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
b. As explained to us, the management has physically verified most of the fixed assets during the year and there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of the assets. No material discrepancies were noticed on such verification.
c. The fixed assets disposed off during the year are not substantial and hence it has not affected the going concern status of the Company
2. a. The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
b. In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
c. The Company is maintaining proper records of inventory. The discrepancies noticed on physical verification between the physical stocks and book records were not material.
3. The Company has not taken/granted any loans, secured or unsecured to Companies, firms or other parties covered in the Register maintained under Section 301 of the Act. Hence, provisions of clause (iii), (b), (c), (d), (f) and (g) of paragraph 4 are not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and with regard to sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
5. a) In our opinion and according to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register to be maintained under that section.
b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public. Hence the provisions of Section 58A, 58AA and other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 are not applicable.



7. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
8. We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 In respect of Textiles and are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
9. a) According to the records the Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it.
- b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income-Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess were in arrears, as at 31st March, 2014.
- c) According to the records of the Company and the information and explanations given to us, the dues of sales tax, Income Tax, Customs Duty, Wealth Tax, Service Tax, Excise Duty and Cess which have not been deposited on account of any dispute are as follows :

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

10. The Company has accumulated losses (Transferred from Suryavanshi Spinning Mills Limited on 01.04.2013 (Appointed Date) pursuant to the Scheme of Demerger) at the end of the financial year. The Company has not incurred cash losses during the financial year covered by our audit. The Company incurred cash loss immediately in the preceding financial year.



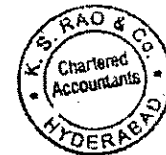
11. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institutions and banks.
12. The Company has not granted loans and advances on basis of security by way of pledge of shares, debentures and other securities.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

Place: Hyderabad
Date : September 03, 2014

for K.S.RAO & CO.
Chartered Accountants.
Firm Regn. No.0031095



(V.V.RAO)
Partner
Membership No.219209



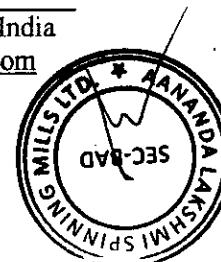
AANANDA LAKSHMI SPINNING MILLS LIMITED

AANADA LAKSHMI SPINNING MILLS LIMITED

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

Audited financial results for the year ended 31st March 2014		(Figures in Rs. Lacs)
PART I		Year Ended
Particulars		31-03-2014 (Audited)
1	Income from operations :	
(a)	Net Sales/Income from Operations (Net of excise duty)	11098.77
(b)	Other Operating Income	-
	Total Income from operations (net)	11098.77
2	Expenses :	
(a)	Cost of materials consumed	7414.78
(b)	Purchases of stock-in-trade	-
(c)	Changes in inventories of Finished goods, work-in-progress and stock-in-trade	317.48
(d)	Employees benefits expense	788.57
(e)	Power & Fuel	1403.09
(f)	Depreciation and amortisation expense	308.35
(g)	Other Expenses	730.29
	Total expenses :	10962.56
3	Profit/(Loss) from Operatinns before Other Incme, finance costs and Exceptional Items (1-2)	136.21
4	Other Income	241.82
5	Profit from ordinary activities before finance costs and Exceptional Items (3+4)	378.03
6	Finance costs	376.39
7	Profit from ordinary activities after finance costs but before Exceptional Items (5-6)	1.64
8	Exceptional Items	-
	Fuel Surcharge Adjustment relating to earlier years	-
9	Profit/(Loss) from ordinary activities before Tax (7-8)	1.64
10	Tax Expense :	
	Income tax - for earlier years	-
11	Net Profit(+)/Loss (-) from Ordinary activities after Tax (9-10)	1.64
12	Extraordinary Items (net of tax expense Rs. Lakhs)	-
13	Net Profit(+)/(Loas) (-) for the period (11-12)	1.64
14	Paid-Up Equity Share Capital (Face value -Rs 10)	349.93
15	Reserves excluding Revaluation reserves as per balance sheet of previous accounting year	
16i	Earnings Per Share (before extraordinary items) (of Rs.10/- each)(not annualised):	
(a)	Basic	0.05
(b)	Diluted	0.05
16ii	Earnings Per Share (after extraordinary items) (of Rs.10/- each)(not annualised):	
(a)	Basic	0.05
(b)	Diluted	0.05
PART II		
A PARTICULARS OF SHAREHOLDING		
1	Public share holding	
	- Number of Shares	1896219
	- Percentage of Share holding	48.01
2	Promotor and Promotor group shareholding	
a)	Pledged/Encumbered	
	-Number of shares	
	-Percentage of shares (as a % of the total shareholding of promoter and promoter group)	-
	-Percentage of shares (as a % of the total share capital of the company)	-
b)	Non-Encumbered	
	-Number of shares	2053051
	-Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00
	-Percentage of shares (as a % of the total share capital of the company)	51.99

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U17121TG2013PLC086564



AANANDA LAKSHMI SPINNING MILLS LIMITED

Particulars		
B INVESTOR COMPLIANTS		
Pending at the beginning of the quarter		Nil
Received during the quarter		Nil
Disposed of during the quarter		Nil
Remainig unresolved at the end of the quarter		Nil
STATEMENT OF ASSETS AND LIABILITIES AS AT THE END OF THE YEAR		
Particulars		31-03-2014
		AUDITED
A EQUITY AND LIABILITIES :		
1 SHAREHOLDERS' FUNDS :		
(a) Share Capital		349.93
(b) Reserves and Surplus		409.82
Sub-Total - Shareholders' funds :		759.75
2 Non-current liabilities		
(a) Long-term borrowings		896.35
(c) Long-term provisions		77.65
Sub-Total - Non-current liabilities :		974.00
3 Current liabilities		
(a) Short-term borrowings		1659.69
(b) Trade payables		1408.43
(c) Other current liabilities		661.85
(d) Short-term provisions		6.81
Sub-Total - Current liabilities :		3736.78
TOTAL - EQUITY AND LIABILITIES :		5470.53
B ASSETS :		
1 Non-current Assets :		
(a) Fixed assets		2800.17
(b) Intangible assets		0.13
(c) Long-term loans and advances		194.38
Sub-Total - Non-current assets :		2994.68
2 Current Assets :		
(a) Inventories		1009.30
(b) Trade receivables		817.96
(c) Cash and cash equivalents		100.98
(d) Short-term loans and advances		151.60
(e) Other current assets		396.01
Sub-Total - Current assets :		2475.85
TOTAL - ASSETS :		5470.53
NOTES:		
1	The above Audited results were reviewed and recommended by the Audit Committee were approved by the Board of Directors at their meeting held on 3rd September 2014	
2	The above figures are from the date of incorporation i.e., 21.03.2013 to 31.03.2014. Previous years figures are not available since this is the first year of operations	
3	Hon'ble High Court at Hyderabad approved vide its Orders dated July 30, 2014, the Scheme of Arrangement by way of Demerger between Suryavenshi Spinning Mills Ltd, Aananda Lakshmi Spinning Mills Ltd and Sheshadri Industries Ltd and their respective members and creditors for demerger of yarn unit at Bhongir, Telangana into Aananda Lakshmi Spinning Mills Limited (Resulting Company -1) and yarn unit at Rajna, Madhya Pradesh (along with two Garment divisions Telangana) into Sheshadri Industries Limited (Resulting Company-2) and retaining yarn unit and medical textile unit at Aliabad, Ranga Reddy Dist. Telangana. The said Orders of the Hon'ble High Court were filed with Registrar of Companies at Hyderabad on August 21, 2014 (Effective Date). The Appointed Date for the Scheme for Arrangement was April 1, 2013. The above Audited results for the financial year 2013-14 are prepared for the yarn unit at Bhongir, Telangana.	

for AANANDA LAKSHMI SPINNING MILLS LIMITED

J.K. AGARWAL
DIRECTOR

Secunderabad
3rd Sep, 2014

Regd. Office: Surya Towers, 6th Floor, 105, Sardar Patel Road, Secunderabad-500003 A.P. India
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U17121TG2013PLC086564



Brahmayya & Co.,

CHARTERED ACCOUNTANTS

VIJAYAWADA, HYDERABAD, VISAKHAPATNAM, GUNTUR, KAKINADA, TANUKU, ALSO AT CHENNAI, BANGALORE AND ADONI.

INDEPENDENT AUDITOR'S REPORT

To the Members of **AANANDA LAKSHMI SPINNING MILLS LIMITED, SECUNDERABAD.**

Report on the Financial Statements:

We have audited the accompanying financial statements of AANANDA LAKSHMI SPINNING MILLS LIMITED, SECUNDERABAD ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the period from 21st March 2013 to 31st March 2014 ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements:

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

Auditor's Responsibility:

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

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

In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



403 & 404, Golden Green Apartments, Irum Manzil Colony, Hyderabad - 500 082.
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Opinion:

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

- a. in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b. in the case of the Statement of Profit and Loss for the period from 21st March, 2013 to 31st March 2014, of the profit for the period ended on that date; and
- c. in the case of the Cash Flow Statement, of the cash flows for the period ended on that date

Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books ;
 - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;





Brahmayya & Co.

CHARTERED ACCOUNTANTS

VIJAYAWADA, HYDERABAD, VISAKHAPATNAM, GUNTUR, KAKINADA, TANUKU, ALSO AT CHENNAI, BANGALORE AND ADONI.

- e. On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441 A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

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



(K.S.RAO)
Partner
Membership No.015850

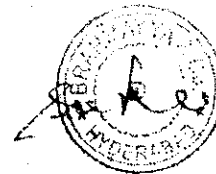
Place: Hyderabad
Date: September 03, 2014

403 & 404, Golden Green Apartments, Irrum Manzil Colony, Hyderabad - 500 082.
Phones : (040) - 2337 0002/4, Fax : 2337 0005, E-mail : hydbrahmayya@gmail.com

ANNEXURE TO THE AUDITORS' REPORT

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

1. a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
b. As explained to us, the management has physically verified most of the fixed assets during the year and there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of the assets. No material discrepancies were noticed on such verification.
c. The fixed assets disposed off during the year are not substantial and hence it has not affected the going concern status of the Company
2. a. The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
b. In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
c. The Company is maintaining proper records of inventory. The discrepancies noticed on physical verification between the physical stocks and book records were not material.
3. The Company has not taken/granted any loans, secured or unsecured to Companies, firms or other parties covered in the Register maintained under Section 301 of the Act. Hence, provisions of clause (iii), (b), (c), (d), (f) and (g) of paragraph 4 are not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and with regard to sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
5. a) In our opinion and according to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register to be maintained under that section.
b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.



6. The Company has not accepted any deposits from the public. Hence the provisions of Section 58A, 58AA and other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 are not applicable.
7. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
8. We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 in respect of Textiles and are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
9. a) According to the records the Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it.
- b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income-Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess were in arrears, as at 31st March, 2014.
- c) According to the records of the Company and the information and explanations given to us, the dues of sales tax, Income Tax, Customs Duty, Wealth Tax, Service Tax, Excise Duty and Cess which have not been deposited on account of any dispute are as follows :

Sl. No	Nature of the Statute	Nature of the Dues	Amount (Rs)	Period to which the amount relates (Financial Year)	Forum where dispute is pending
1	Andhra Pradesh General Sales Tax (APGST) Act, 1957	Sales Tax dues	3,40,160/-	2001-2002	Hon'ble A.P. High Court, Hyderabad
2	Andhra Pradesh General Sales Tax (APGST) Act, 1957. (Case filed by Bharat Petroleum Corporation Ltd	Sales Tax dues	40,27,678/-	1997-1998	1 Addl. Chief Judge, City Civil Court, Secunderabad.


10. The Company has accumulated losses ((Transferred from Suryavanshi Spinning Mills Limited on 01.04.2013 (Appointed Date) pursuant to the Scheme of Demerger) at the end of the financial year. The Company has not incurred cash losses during the financial year covered by our audit.



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

Place: Hyderabad
Date : September 03, 2014

for BRAHMAYYA & CO.
Chartered Accountants.
Firm Regn. No.0005135


(K.S. RAO)

Partner
Membership No.015850

