



SPINNING MILLS LIMITED

**ANNUAL REPORT
2020-21**



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Important Communication to Members

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



CORPORATE INFORMATION

BOARD OF DIRECTORS

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

Company Secretary & Compliance Officer

Ms. Rozie Mukharjee (resigned w.e.f. 09.07.2021)
Ms. Ashu (w.e.f. 14.08.2021)

Auditors

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

Bankers

Union Bank of India (earlier Andhra Bank)

Registered Office

6th Floor, Surya Towers,
105, S.P. Road
Secunderabad - 500003, Telangana
Website: www.aanandalakshmi.com
Email: info@aanandalakshmi.com

CIN: L17121TG2013PLC086564
Phone: 91-40-27898982

Audit Committee

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

Stakeholders' Relationship Committee

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

Nomination & Remuneration Committee

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

Listed on BSE Limited

ISIN: INE197R01010
Scrip Code: 539096

Registrar and Share Transfer Agents

KFIN Technologies Private Limited
Selenium Tower B, Plot No 31 & 32,
Gachibowli, Financial District,
Nanakramguda, Serilingampally, Hyderabad – 500032
Tel No. 040-67162222, Fax No. 040-23420814
E-mail: einward.ris@kfintech.com
Website: www.kfintech.com

Factory

Spinning Division
Bhongir, Nalgonda Dist.
Telangana - 508 116



NOTICE

NOTICE IS HEREBY GIVEN THAT THE 8TH ANNUAL GENERAL MEETING OF THE MEMBERS OF AANANDA LAKSHMI SPINNING MILLS LIMITED WILL BE HELD ON THURSDAY THE 30TH DAY OF SEPTEMBER 2021 AT 10:30 AM (IST) AT INCREDIBLE ONE HOTEL, 1-2-40, 41 & 43, PARK LANE, SANDHU APARTMENT, KALASIGUDA, SECUNDERABAD, TELANGANA- 500003, TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS

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

SPECIAL BUSINESS

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

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

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

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

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

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

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

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

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

“RESOLVED THAT pursuant to the provisions of Section 188 and Section 180 (1) (a) of the Companies Act, 2013 and Rules made thereunder and as per the Regulation 23 of SEBI (Listing Obligations and Disclosures Requirement) Regulations, 2015 and other applicable provisions, if any, (including any statutory modification(s) or re-enactment thereof for the time being in force), as per the recommendations and prior approval of Audit Committee in the meeting held on 14th August, 2021 the consent of the members be and is hereby accorded for entering into the related party transaction with the promoters or their relatives of the company at arm's length basis, for effecting the sale of five acres 32 guntas of land having



survey no. 855 and 856 situated at Aliabad Village, Telangana, total value of which is approximately five crores.

RESOLVED FURTHER THAT the Board be and is hereby authorized to enter into related party transaction with the promoters, on behalf of the Company and to finalize the terms and conditions and take such steps as may be necessary for obtaining approvals, and to complete all the formalities in connection to such sale or transfer and to settle all the matters arising out of and incidental thereto, and to sign and execute all deeds, applications, documents and writings that may be required, on behalf of the

Company, and file the required e-forms with the Registrar of Companies, Telangana and generally to do all such acts, deeds and things that may be necessary, proper and expedient or incidental for the purpose of giving effect to the above resolution.”

By order of the Board
For **Aananda Lakshmi Spinning Mills Limited**

Place: Secunderabad
Date: 14.08.2021

Devender Kumar Agarwal
Managing Director
DIN: 00042156

NOTES:

1. An explanatory statement pursuant to Section 102 of the Companies Act, 2013 ("the Act") relating to the Special Business to be transacted at the Annual General Meeting is annexed hereto.
2. Keeping in view the outbreak of COVID-19 (Corona Virus) pandemic, The AGM of the Company will be held at the venue in accordance with the guidelines as prescribed by the World Health Organization maintaining social distancing norms and venue being thoroughly sanitized.
3. The members are requested to wear mask all the time and carry their own stationery including pen, notepad, etc. to avoid any kind of physical contact among the members present at the meeting.
4. The register of members and share transfer books of the Company will be closed from **23.09.2021 to 30.09.2021** (both days inclusive) for the purpose of Annual General Meeting.
5. The Company's Registrar & Share Transfer Agent is **KFIN Technologies Private Limited**, Selenium Tower B, Plot No 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500032, Tel No. 040-67162222, Fax No. 040-23420814 e-mail: einward.ris@kfintech.com Website: <https://www.kfintech.com>
6. A Member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote on poll instead of himself and such proxy need not be a member of the Company.
7. A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. The holder of the proxy shall prove his/her identity at the time of attending the meeting.
7. A member holding more than 10% of the total share capital may appoint a single person as Proxy and such person shall not act as Proxy for any other person or member. The Instrument appointing the proxy should be deposited at the registered office of the company not less than forty-eight hours before the commencement of the meeting.
8. The shareholder desiring any further information as regards the accounts are requested to write to the Company so as to reach it at least one week prior to the date of the meeting for consideration of the management to deal at the meeting.
9. The statutory registers maintained under the Act, including register of directors and key managerial personnel and their shareholding, the register of contracts or arrangements in which directors are interested and all other documents referred to in the notice will be available for inspection in electronic mode. Members who wish to inspect such documents are requested to write to the company by sending an e-mail to secdept@suryavanshi.com.
10. Corporate members intending to send their authorized representatives to attend the meeting pursuant to section 113 of the Companies Act, 2013 are requested to send to the Company, a certified



copy of the relevant board resolution authorizing such representative to attend the AGM together with their respective specimen signatures authorizing their representative(s) to attend and cast their votes on their behalf. Such documents can be sent to the company at secdept@suryavanshi.com.

11. Members may note that the Notice of 8th AGM and the Annual Report for FY 2020-21, copies of audited financial statements, directors report etc., will also be available on the website of the company, www.aanandalakshmi.com for download. Members holding shares in electronic mode are therefore requested to keep their email address updated with the Depository Participants. Members holding shares in physical mode are also requested to update their e-mail addresses by writing to the Registrar and Transfer Agent of the company at the address M/s KFin Technologies Private Limited, Selenium Building, Tower B, Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad- 500032, Telangana.
12. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, KFIN Technologies Private Limited for assistance in this regard.
13. In compliance with the Circulars, the notice of the 8th AGM along with the Annual report for the financial year 2020-21 has been sent only through electronic mode to the members who have registered their e-mail addresses with the company/depository participants. Members may note that the notice of the 08th AGM and the annual report are also available on the company's website, www.aanandalakshmi.com, website of the stock exchange i.e. BSE at www.bseindia.com.
14. In accordance with the Circulars, no physical copy of the notice of the 8th AGM and the annual report for the financial year 2020-21 has been sent to members who have not registered their e-mail addresses with the company/depository participants. The members will be entitled to a physical copy of the annual report for the financial year 2020-21 free of cost, upon sending a request to the company secretary at 6th Floor, Surya Towers, 105, Sardar Patel Road, Secunderabad, Telangana- 500003, India.
15. The Securities and Exchange Board of India (SEBI) vide its Circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20th April, 2018 has mandated registration of PAN and Bank Account Details for all security holders. Members holding shares in physical form are therefore, requested to submit their PAN and Bank Account details to KFIN Technologies Private Limited along with a self-attested copy of PAN Card and original cancelled cheque. The original cancelled cheque should bear the name of the Member. In the alternative Members are requested to submit a copy of bank passbook/statement attested by the bank. Members holding shares in Demat form are requested to submit the aforesaid information to their respective Depository Participant.
16. Members holding shares in the same name under different Ledger Folios are requested to apply for consolidation of such Folios and send the relevant share certificates to the RTA/Company.
17. The relevant details, pursuant to regulations 26(4) and 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment and re-appointment or approval for payment of remuneration at this AGM are annexed to the Notice and forms part of the Explanatory Statement. Brief profile of Director has been attached.
18. **E-voting**
 - i) Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the

- Company has entered into an agreement with National Securities Depository limited (NSDL) for facilitating voting through electronic means on all resolutions set forth in this Notice, as the authorized agency. The members may cast their votes using an electronic voting system from a place other the venue of the meeting ('remote e-voting').
- ii) The facility for voting through Ballot form shall be made available at the Meeting and the members attending the Meeting who have not cast their vote by remote e-voting shall be able to vote at the Meeting through Ballot form.
 - iii) A Member can opt for only single mode of voting i.e., either through e-voting or by Ballot Form. If a Member cast votes by both modes, then voting done through e-voting shall prevail and vote by Ballot shall be treated as invalid. The members who have cast their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote again.
 - iv) The Board of Directors of the Company has appointed Smt. Rashida Adenwala, Practising Company Secretary, Partner, R & A Associates, Hyderabad as Scrutinizer to voting process (e-voting and ballot) in a fair and transparent manner and she has communicated her willingness to be appointed and will be available for same purpose.
 - v) Voting rights shall be reckoned on the paid-up value of shares registered in the name of the member / beneficial owner (in case of electronic shareholding) as on the cut-off date i.e., **22nd September, 2021**.
 - vi) A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, i.e., **22nd September, 2021** only shall be entitled to avail the facility of remote e-voting as well as voting at AGM through ballot form.
- vii) Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e. **22nd September, 2021**, may obtain the User ID and password by writing to National Securities Depository Limited at evoting@nsdl.co.in or orsecdept@suryavanshi.com. However, if the person is already registered with NSDL for remote e-voting then the existing user ID and password can be used for casting vote.
 - viii) The scrutinizer, after scrutinizing the votes cast at the meeting and through remote e-voting, will, after the conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company www.aanandalakshmi.com and the website of national Securities Depository Limited evoting@nsdl.co.in. The results shall simultaneously be communicated to BSE Limited.
 - ix) Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e., 30th September, 2021.
 - x) **THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:**

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

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





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

Step 1: Access to NSDL e-Voting system

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

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

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsd.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e., NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e., your sixteen-digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e., NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience. <div data-bbox="651 1388 1065 1627" style="text-align: center; border: 1px solid black; padding: 10px;"> <p>NSDL Mobile App is available on</p> <p>  App Store  Google Play </p> <div style="display: flex; justify-content: space-around; align-items: center;">   </div> </div>

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

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

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

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

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

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

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

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

4. Your User ID details are given below:

Manner of holding shares i.e., Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example, if your DP ID is IN300*** and Client ID is I2***** then your user ID is IN300***I2*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example, if your Beneficiary ID is I2***** then your user ID is I2*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example, if folio number is 00I*** and EVEN is I01456 then user ID is I0145600I***

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

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

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

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

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

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

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



General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to rashida@rna-cs.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request at evoting@nsdl.co.in

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

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to secdept@suryavanshi.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16-digit DPID + CLID or 16-digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to secdept@suryavanshi.com. If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e., **Login method for e-Voting for Individual shareholders holding securities in demat mode.**
3. Alternatively, shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.

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

Instructions and other information relating to Ballot Form:

- (i) A member desiring to exercise voting by using Ballot Form shall complete the enclosed Ballot Form with assent (FOR) or dissent (AGAINST) and send it to the Scrutinizer, Smt. Rashida Adenwala, Practising Company Secretary, Partner at R&A Associates, Hyderabad, duly appointed by the Board of Directors of the Company, to the given address Office No. T 202, Technopolis, 1-10-74/B, Above Ratnadeep Super Market, Chikoti Gardens, Begumpet, Hyderabad, Telangana 500016. Ballot Forms deposited in person or sent by post or courier at the expense of the member will also be accepted at the Registered Office of the Company.
- (ii) Please convey your assent in Column "FOR" or dissent in the column "AGAINST" by placing a tick ("") mark in the appropriate column in the Ballot Form only. The assent / dissent received in any other form / manner will not be considered.
- (iii) Duly completed and signed Ballot Forms shall reach the Scrutinizer on or before 29th September 2021 (5.00 P.M. IST). The Ballot Forms received after the said date /time shall be strictly treated as if the reply from the Member has not been received. Alternatively, the members may cast their votes by ballot at the venue during the proceedings of Annual General Meeting.
- (iv) Unsigned/incomplete Ballot Forms will be rejected. Scrutinizer's decision on validity of the Ballot Form shall be final.
- (v) A member may request duplicate Ballot Form, if so required, by writing to the Company at its Registered Office or by sending an email on secdept@suryavanshi.com by mentioning their Folio No. / DP ID and Client ID. However, the duly filled in duplicate Ballot Form should reach the scrutinizer not later than 29th September 2021 (5.00P.M. IST).



3. In case of joint holders, the vote of such joint holder who is higher in the order of names shall be accepted to the exclusion of the votes of other joint holders.
4. In terms of section 72 of the Act read with the applicable rules made under the Act, every holder of shares in the company may at any time nominate, in the prescribed manner (Form No. SH-13), a person to whom his/her shares in the company shall vest, in the event of his/her death. Nomination Form can be obtained from the R & TA. The duly filled in Nomination Form shall be sent to R & TA at the above mentioned address by the members holding shares in physical mode. Members holding shares electronic form may contact their respective depository participants for availing this facility.
5. Members/proxies/Authorized representatives should bring their soft/hard copy of the Annual Report and Attendance Slip and sent herein for attending the Meeting. Proxy or Authorized representatives of members should state on the Attendance Slip as 'Proxy' or 'Authorized Representative', as the case may be. Further, those who hold shares in demat form are requested to write their client Id and DP Id and those who hold shares in physical forms are requested to write their Folio number on the Attendance Slip for easy identification at the meeting.
6. A route map showing directions to reach the venue of the 08th AGM is given at the end of the Notice.

**By order of the Board
For Aananda Lakshmi Spinning Mills Limited**

**Devender Kumar Agarwal
Managing Director
DIN: 00042156**

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

Place: Secunderabad
Date: 14.08.2021

ITEM NO. 3

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

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

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

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

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

ITEM NO. 4

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

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



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

Following disclosure is provided with respect to the transactions:

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

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

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



Annexure to Item 2 of the Notice

Details of Directors seeking re-appointment at the forthcoming Annual General Meeting (in pursuance of Regulation 36 (3) of SEBI (Listing Obligations 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	Experience of more than 25 years in Textiles business.
Number of shares held in the Company as on 31.03.2020	Nil
List of the directorships held in other companies	1. Suryavanshi Industries Limited 2. Sheshadri Industries Limited 3. Suryavanshi Integrated Apparel Park Limited 4. 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 Mr. Devender Kumar Agarwal and Mr. Jeetender Kumar Agarwal being brothers, there is no inter-se relationship between other Board Members.	



DIRECTORS REPORT

Dear Shareholders,

We have pleasure in presenting the 8th Directors Report on the business and operations of Company and Financial Results for the year ended 31st March, 2021.

1. FINANCIAL RESULTS

Rs. In lakhs

	2020-21	2019-2020
Total Revenue	762.19	997.50
Gross Profit before financial charges & depreciation	(298.18)	(239.90)
Less: Depreciation	78.62	123.57
Financial charges	193.49	241.36
Exceptional items	238.75	540.27
Profit / (Loss) before taxation	(570.29)	(604.83)
Tax expenses	117.32	-
Profit / (Loss) after taxation	(448.86)	(64.56)

2. REVIEW OF OPERATIONS

During the year under review the company achieved total turnover of Rs.762.19 Lakhs which is lower than that of the previous year. The operations in the year have ended in a loss of Rs.448.86 Lakhs as against loss of Rs. 64.56 Lakhs in previous year.

Company has decided to discontinue its manufacturing activity at its units situated at Bhongir, Nalgonda District, Telangana due to the financial crisis faced by the company.

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

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

4. CHANGE IN SHARE CAPITAL

There is no change in Share Capital of the company during the year under review.

5. RESERVES

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

6. REVISION OF ANNUAL FINANCIAL STATEMENTS

There was no case of revision in financial statements during the year

7. DIVIDEND

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

8. FUTURE OUTLOOK

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

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

There were no material changes and commitments after the end of financial year till the date of preparation of this report.



10. CORPORATE GOVERNANCE

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

11. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

12. ENVIRONMENT AND POLLUTION CONTROL

The manufacturing facility has obtained environmental clearance from the Pollution Control Board concerned and is in compliance with all current environmental legislation. As an integral part of its environment protection drive, the Company ensures the very minimum quantity of generation of waste, low emission levels and low noise pollution levels during operations of its manufacturing facility.

13. LISTING AT STOCK EXCHANGE

The Equity Shares of the company are listed on Bombay Stock Exchange, Mumbai.

14. DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. RETIREMENT BY ROTATION

Pursuant provision of Section 152 of the Companies Act, 2013, Sri Jeetender Kumar Agarwal (DIN 00041946), Director will retire at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The Board recommends his re-appointment.

B. APPOINTMENT

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

C. RESIGNATION

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

D. EVALUATION OF THE BOARD'S PERFORMANCE

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

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

The Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as evaluation of the working of its Board Committees. A structured questionnaire was prepared covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board Culture, execution and performance of specific duties, obligations and governance.

A meeting of the Independent Directors was also held which reviewed performance of non-independent directors, performance of the board as a whole and performance of the chairman after taking in to account the



views of executive directors and non-executive directors. The same was discussed in the board meeting that followed the meeting of the independent directors, at which the performance of the board, its committees and individual directors was also discussed. Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated.

E. DECLARATION BY INDEPENDENT DIRECTORS

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

F. FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

The Company has formulated a familiarization program for Independent Directors to provide insights into the Company's manufacturing, marketing, finance and other important aspects to enable the Independent Directors to understand its business in depth and contribute significantly to the Company. The details of such program are available on the Company's website (www.aanandalakshmi.com)

G. KEY MANAGERIAL PERSONNEL:

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

- Mr.Devender Kumar Agarwal, Managing Director & Chief Financial Officer
- Ms. Rozie Mukharjee, Company Secretary & Compliance Officer (Resigned w.e.f. 09.07.2021)

15. BOARD AND THEIR COMMITTEES

1. BOARD OF DIRECTORS

a) Composition and Number of Board Meetings:

As on 31st March, 2021, the Company's Board of Directors comprises 5 (Five) Directors. Of these, 2 (two) are Promoter Directors and 3 (three) are Independent Directors. The Chairman is Executive Director.

The Board of Directors of the Company met Five (5) times during the year i.e on 31.07.2020, 22.09.2020, 28.09.2020, 03.12.2020, 24.02.2021

b) Disclosure of relationships between directors inter-se:

Except for Sri Devender Kumar Agarwal and Sir Jeetender Kumar Agarwal being brothers, there is no inter-se relationship between other Board Members.

2. AUDIT COMMITTEE

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

During the financial year ended March 31, 2021 – The Audit Committee met 4 (Four) times on 31.07.2020, 22.09.2020, 03.12.2020, 24.02.2021

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

3. NOMINATION & REMUNERATION COMMITTEE

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

During the financial year ended March 31, 2021- The Nomination & Remuneration Committee Meetings were held on 22.09.2020 and 28.09.2020.



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

4. **STAKEHOLDERS' RELATIONSHIP COMMITTEE**

Your company has constituted a Stakeholders' Relationship Committee to specifically look into the mechanism of redressal of grievances of shareholders and other security holders.

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

Sri. Manish Gupta (Chairman) is the Non-Executive Director heading the Committee.

During the financial year ended March 31, 2021 – The Stakeholders Relationship Committee meetings were held on 31.07.2020 and 22.09.2020.

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

1	No. of Complaints received at the beginning of the year	NIL
2	No. of Complaints received for the Year ended 31 st March 2021	NIL
3	Number not solved to the satisfaction of shareholders	NIL
4	Number of pending complaints	NIL

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

5. **SEPARATE MEETING OF INDEPENDENT DIRECTORS**

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

16. **AUDITORS & AUDITORS' REPORT**

A. **STATUTORY AUDITORS**

M/s K.S.Rao & Co., Chartered Accountants, Hyderabad (ICAI Firm Regn. No.003109S) were appointed as Statutory Auditors in the AGM held on 29th September 2017 for a period of 5 years until the conclusion of 9th AGM.

Ministry of Corporate Affairs vide its notification dated May 7, 2018 has done away with the requirement of seeking ratification of appointment of statutory auditors by members at each AGM. Accordingly, no such item has been considered in notice of the 08th AGM.

Explanation to Auditor's remark

Following the are the replies/clarification in respect the observation made by the Statutory Auditors in their report.

1. The management would like to bring to your notice that the cotton trading activity was done by purchasing cotton from the cotton trader when the prices were lower due to pandemic by purchasing against a confirmed contract of Cotton Corporation of India with the extended delivery terms. Subsequently, when the prices of cotton increase the same was sold to the same group who has cotton spinning mills in India. The transactions were bonafide on part of all entities involved.
2. The management is of the considered opinion that the interest provided towards dues payable to Andhra Bank toward One time settlement scheme or compromise proposal which the company has entered with Andhra Bank, due to Covid-19 the company could not make 100% payment on or before 31.03.2020. The Company has already made a representation to the bank for extending the period of One time settlement. The company has provided interest of Rs.100.76 Lakhs upto 31.03.2021. The Company has not provided interest of Rs. 536.80 Lakhs towards interest on outstanding loans since the account become NPA. The management is confident it will complete the compromise proposal / one time Settlement entered with Andhra Bank would be amicably completed.

3. During the year under review, due to inadequate funds and insufficient cash flows the company couldn't pay property tax on time.
4. Since the manufacturing operations of the company have been discontinued and more of plant and machinery has been sold during the year, the management had planned to conduct physical verification of the balance plant and machinery but it wasn't possible due to pandemic and it was delayed. The same would be completed during Financial Year 2021-22.
5. Due to the COVID restrictions, the company was working with limited staff hence the physical records were not available at the company. The directors have periodically carried out the verification of records and reconciled the books.
6. Most of the employees of the company have resigned and the settlement of their dues has been completed and hence, the actuarial valuation under IND AS 19 was not required.
7. The management would like to inform that the interest and penalties payable on statutory dues would be verified with individual statutory authorities and all the provisions relating to the same shall be made in the financial year 2021-22.

Reporting of fraud by Statutory Auditors

There was no fraud in the Company which required to be reported by Statutory Auditors of the Company under Sub-section (12) of Section 143 of Companies Act, 2013.

B. SECRETARIAL AUDITOR

During the year, the Company has appointed M/s Yellapragada and Associates, Practicing Company Secretaries as Secretarial Auditor in compliance with the provision of Section 204 of the Companies Act, 2013. The Secretarial Audit report in form MR-3 for the financial year ended 31st March 2021 is annexed herewith as **Annexure I** to this Report.

The secretarial audit report does not contain any qualifications or adverse remark.

C. INTERNAL AUDITOR

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

17. 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.



18. 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.aanandalakshmi.com/policy-policy.html>

Your Directors draw attention of the members to Note 35 to the financial statement which sets out related party disclosures. Particulars of Contracts or Arrangements with related parties referred to in Section 188(1) in Form AOC- 2 are enclosed to this report in **Annexure III**.

19. 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.

20. INDIAN ACCOUNTING STANDARDS (IND AS)

The Ministry of Corporate Affairs vide its notification dated 16.02.2015 has notified the Companies (Indian Accounting Standard) Rules, 2015. In pursuance of this notification, the company has adopted IND AS with effect from 1st April, 2017

21. 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.

22. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES:

The information required pursuant to Section 197(12) of Companies Act, 2013 read with Rule 5(1) and Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of the employees of the Company, will be provided upon request. In terms of Section 136 of the Act, the Report and Accounts are being sent to the members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the members at the Registered Office of the Company during business hours on working days of the Company upto the date of the ensuing Annual General Meeting. If any member is interested in obtaining a copy thereof, such member may write to the Company Secretary in this regard.

23. 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.

24. 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.

25. DISCLOSURES:

A. ANNUAL RETURN

Annual Return of the Company as on 31st March, 2021 in accordance with Section 92(3), Section 134(3)(A) of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014. can be accessed from the website of the Company www.aanandalakshmi.com/financials.



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.aanandalakshmi.com. There were no complaints received during the year 2020-21.

26. COMPLIANCE OF SECRETARIAL STANDARD

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

27. GENERAL

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

- a. Details relating to deposits covered under Chapter V of the Act.
- b. The Company has no subsidiaries, joint ventures or associate companies.
- c. The Company is not required to maintain cost records under Section 148(1) of the Companies Act, 2013.
- d. During the year under review the Company has not given loan to any employee for purchase of its own shares as per section 67(3) (c) of Companies Act, 2013.
- e. The Company has not issued shares under employee's stock options scheme pursuant to provisions of Section 62 read with Rule 12 of Companies (Share Capital and Debenture) Rules, 2014.
- f. The Company has not issued sweat equity shares pursuant to provisions of Section 54 read with Rule 8 of Companies (Share Capital and Debenture) Rules, 2014 & SEBI (issue of sweat equity) Regulations, 2002 during the Financial Year.
- g. The Business Responsibility Reporting as required by Regulation 34(2) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, is not applicable to your Company for the financial year ending March 31, 2021.
- h. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
- i. Details in respect of frauds reported by the Auditors under section 143(12) other than those which are reportable to the Central Government, as there were no such frauds reported by the Auditors.

28. ACKNOWLEDGEMENTS:

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

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

By order of the Board
For **Aananda Lakshmi Spinning Mills Limited**

D.K. Agarwal
Managing Director
DIN: 00042156

Place: Secunderabad
Date: 14.08.2021

J.K. Agarwal
Director
DIN: 00041946



FORM NO.MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021

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

To
The Members,
AANANDA LAKSHMI SPINNING MILLS LIMITED
CIN: L17121TG2013PLC086564
Registered office
Add: 105, Sardar Patel Road,
Secunderabad-500003
Telangana, India

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **AANANDA LAKSHMI SPINNING MILLS LIMITED** (herein after called the "Company"). Secretarial audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon

Based on our verification of the Company's, books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has during the audit period covering the financial year ended on 31st March, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company (records were verified in electronic form due to situation of "COVID-19") for the financial year ended on 31st March, 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under as amended from time to time;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed 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') as amended from time to time:-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;-
-N.A
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; -- N.A.
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; -- N.A.
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; -- N.A.
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; -- N.A.
 - i. The Securities and Exchange Board of India (Listing Obligation & Disclosure Requirements) Regulations, 2015.



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

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

During the period under review, the Company has complied with the applicable provisions of the Act, Rules, Regulations, Guidelines, Standards, etc., mentioned above

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

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

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

We further report that,

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors & Woman Directors. There is change in the composition of the Board of Directors during the review period and change in composition in Committee:
 1. Re-appointment of Mr.Devender Kumar Agarwal (DIN-00042156) as the Managing Director of Company three years commencing from 03/09/2020 to 02/09/2023.
 2. Re-appointment of Smt Sushma Gupta (DIN: 07147330) as an Independent Director second term from 29.09.2020 to 28.09.2025.
 3. Resignation of Mr. Surender Kumar Agarwal as an Independent Director (Non-Executive & Independent) of the Company wef 28th July 2020.
 4. Shri. Uttam Gupta (DIN: 08883411) was appointed as an Additional Director w.e.f 28.09.2020 as independent director a term of five consecutive years commencing from 28.09.2020 to 27.09.2025.
 5. Reconstitution of the Audit Committee by inducting Mr. Uttam Gupta Independent Director as new Member of the Committee in place of Mr. Surender Kumar Agarwal
 6. Reconstitution of the Stakeholders Relationship Committee by inducting Mr. Uttam Gupta, Independent Director as new Member of the Committee in place of Mr. Surender Kumar Agarwal
 7. Reconstitution of the Nomination & Remuneration Committee by inducting Mr. Uttam Gupta, Independent Director as new Member of the Committee in place of Mr. Surender Kumar Agarwal
2. The Company has conducted its Annual General Meeting on 02nd December, 2021, due to relaxation given the ROC, Hyderabad for period 3 months vide Circular No.ROCH/STA/2020-2021 dated 08th September, 2020.
3. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
4. In Review, there are few delays in intimation of information/report/certificate to Stock Exchange, and management represented the said delay due to pandemic.
5. The auditor of the Company given qualified report under point Material Uncertainty Related to Going Concern.
6. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes
7. Information given by the Management that there, *company has defaulted in payments undisputed statutory dues at March 31, 2021 which includes Provident Fund, Employees 'State Insurance', Income-Tax, Sales-tax, and Value added tax.*



8. We further report that based on our limited review of the compliance mechanism established by the Company, there appear adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines
9. There was no instance of Demerger/ Restructuring/ Scheme of Arrangement
10. The Company has not altered MoA and AoA
11. We further report that, our Audit was subjected only to verifying adequacy of systems and procedures that are in place for ensuring proper compliances on the part of the Company.

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

For Yellapragada & Associates

Practicing Company Secretaries

Cs Eshwar Sharma Yellapragada

Proprietor

M.No 37135, C P No. 19122

UDIN: F011147C000787978

Date: 14.08.2021

Place: Hyderabad



ANNEXURE-A TO SECRETARIAL AUDIT REPORT

To
The Members,
AANANDA LAKSHMI SPINNING MILLS LIMITED
CIN: LI4220TGI978PLC002390
Registered office
Add: 105, Sardar Patel Road,
Secunderabad-500003
Telangana, India

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

1. Maintenance of Secretarial record is the responsibility of management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes that were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on a test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Whenever required, we have obtained Management representation about the compliance of laws, rules and regulations and happenings of events etc. We have also verified the applicable provisions of IEPF which is compiled by the Company.
5. The Compliance of the provisions of Corporate and other applicable laws, rules and regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management conducted the affairs of the Company. We hereby state that due to present scenario of "COVID 19", the audit was done on the basis of information provided by the Company in electronic mode. We were unable to conduct actual physical examination of documents and reports filed by the Company with respect to compliances applicable.

For Yellapragada & Associates
Practicing Company Secretaries

Cs Eshwar Sharma Yellapragada
Proprietor
M.No 37135, C P No. 19122
UDIN: F011147C000787978
Date: 14.08.2021
Place: Hyderabad

ANNEXURE - II

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

A. CONSERVATION OF ENERGY

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

B. TECHNOLOGY ABSORPTION

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

C. FOREIGN EXCHANGE EARNINGS AND OUTGO: NIL

FORM NO. AOC-2

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

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

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

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

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

Name(s) of the related party and nature of relationship	Nature of contract/ arrangement/ transactions	Duration of the Transactions	Transaction Value (in Rs.)	Date(s) of approval by the Board, if any	Amount paid as advances, if any
Suryavanshi Industries Ltd	Raw Materials	Ongoing	14,181,811 (Dr.)	--	NIL
			4,299,000 (Cr.)		
Sheshadri Industries Ltd	Raw Materials	Ongoing	4,500,000 (Dr.)	--	NIL
			2,865,328 (Cr.)		
	Waste cotton Sales	Ongoing	1,150,500 (Dr.)	--	NIL
Suryavanshi Spinning Mills Ltd	Raw Materials	Ongoing	71,672 (Dr.)	--	NIL
			5,560,876 (Cr.)		
	Waste Cotton sales	Ongoing	19,794,810 (Dr.)	--	NIL
D K Agarwal	Creditors for Expenses	Ongoing	480,000 (Dr.)	--	NIL
			556,303 (Cr.)		
Innovative Interiors	Reimbursement of Expenses	Ongoing	2,104,020 (Dr.)	--	NIL

By order of the Board
For Aananda lakshmi Spinning Mills Limited

Place: Secunderabad
Date: 14.08.2021

Devender Kumar Agarwal
Managing Director
DIN: 00042156

MANAGEMENT DISCUSSION ANALYSIS FORMING PART OF THE ANNUAL REPORT

I. INDUSTRY STRUCTURE, DEVELOPMENT AND PRODUCT WISE PERFORMANCE

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

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

The Company was in the business of manufacturing of Cotton, Polyester, polyester- viscose, Blended Yarns and readymade garments at its factories situated at Bhongir village of Nalgonda district of Telangana. The company's production, supply and sales have suffered due to COVID-19 and the company decided to discontinue its manufacturing activity and venture forward with its business in Real Estate sector and explore the opportunities in that industry.

2. REAL ESTATE SECTOR

The year gone by has been a period of unprecedented challenges and uncertainties caused by the pandemic. The real estate industry too, witnessed changes. This was as a result of systemic structural reforms and policy changes.

Real Estate is a vital component of the Indian economy, accounting for a significant portion of construction spending and the nation's infrastructure development. In India, the real estate sector is the second-highest employment generator, after the agriculture sector. It is also expected that this sector will incur more non-resident Indian (NRI) investment, both in the short term and the long term.

According to the data released by Department for Promotion of Industry and Internal Trade Policy (DPIIT), construction is the third-largest sector in terms of FDI inflow. FDI in the sector (including construction development & activities) stood at US\$ 50.8 billion between April 2000 and March 2021.

Government Initiatives:

Government of India along with the State Governments has undertaken and introduced several initiatives to encourage development in the sector. The Smart City Project, with a plan to build 100 smart cities, is a prime opportunity for real estate companies.

Following are some of the initiatives taken by the government to further promote the growth in the sector:

- Under Union Budget 2021-22, tax deduction up to Rs. 1.5 lakh (US\$ 2069.89) on interest on housing loan, and tax holiday for affordable housing projects have been extended until the end of fiscal 2021-22.
- In October 2020, the Ministry of Housing and Urban Affairs (MoHUA) launched an affordable rental housing complex portal.
- The Atmanirbhar Bharat 3.0 package announced by Finance Minister Mrs. Nirmala Sitharaman in November 2020 included income tax relief measures for real estate developers and homebuyers for primary purchase/sale of residential units of value (up to Rs. 2 crore (US\$ 271,450.60) from November 12, 2020 to June 30, 2021).

3. OPPORTUNITIES AND THREATS

Opportunities:

According to the estimates, by 2040, real estate market will grow to Rs. 65,000 crore from Rs. 12,000 crore in 2019. Real estate sector in India is expected to reach a market size of US\$ 1 trillion by 2030 from US\$ 120 billion in 2017 and contribute 13% to the country's GDP by 2025. Retail, hospitality and commercial real estate are also growing significantly, providing the much-needed infrastructure for India's growing needs. Indian real estate is expected to increase by 19.5% CAGR from 2017 to 2028.

After the unlocking process was initiated in the third quarter of 2020, both the residential and office markets started showing promising signs of revival. As business activities resumed with the gradual opening of the economy in the third quarter of 2020, the office market witnessed green shoots of recovery. Sentiments improved further in the last quarter of 2020 with the news of potential vaccine development and the office market continued its recovery momentum. As India awaits policy reforms to pick up speed, your

The Central and some State Governments have been proactive in taking steps to boost the housing industry. Various fiscal incentives announced by certain states including stamp duty waiver and reduced charges, have aided growth. Company firmly believes that the demand for Real Estate in a country like India should remain strong in the medium to long term.

Threats:

Currently, the biggest threat faced is the third and future waves of COVID-19. The market condition and profitability depends largely on how well the COVID-19 outbreak is handled and controlled. Due to COVID-19 the spending and consumption patterns of customers have drastically changed. The financial costs, taxes, increasing competition, closing of borders and lockdowns and availability of working capital are other major threats that need to be weighed properly and considered in the long run for the company to be profitable.

4. RISKS AND CONCERNS:

While the management of your Company is confident of creating and exploiting the available opportunities, it has identified the following risks and concerns:

- Availability of accomplished and trained labour force;
- Ongoing pandemic situation and future waves of COVID-19;
- Increased cost of manpower;
- Rising cost of construction;
- Changes in the regulations and policies of government.

5. OUT LOOK:

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

6. COVID-19 IMPACT AND COMPANY'S RESPONSE

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



7. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an adequate and effective internal control system commensurate with the size and complexity of the organization. The Company has undertaken a comprehensive review of all internal control systems to take care of the needs of the expanding size of the Company and believes that these systems provide, among other things, a reasonable assurance that transactions are executed with management authorization. It also ensures that they are recorded in all material respect to permit preparation of financial statements in conformity with established accounting principles along with the assets of the Company being adequately safeguarded against significant misuse or loss. The company has also upgraded the IT support systems. A system of internal audit to meet the statutory requirement as well as to ensure proper implementation of management and accounting controls is in place. The Audit Committee periodically reviews the adequacy of the internal audit functions.

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

There are no material developments in the Human Resources area. The industrial relations have been generally satisfactory. The Company constantly reviews the man power requirements and has a

properly equipped Department to take care of the requirements. The total number of people employed by the Company as on 31.03.2020 was 65.

9. ACCOUNTING TREATMENT

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

CAUTIONARY STATEMENT

1. Readers are advised to kindly note that the above discussion contains statements about risks, concerns, opportunities, etc., which are valid only at the time of making the statements. These statements are based on certain assumptions and expectation of future events. Actual results could, however, differ materially from those expressed or implied. A variety of factors known / unknown, expected or otherwise may influence the financial results. These statements are not expected to be updated or revised to take care of any changes in the underlying presumptions.
2. Readers may therefore appreciate the context in which these statements are made before making use of the same. The company assumes no responsibility in respect of the forward-looking statements herein, which may undergo changes in future based on subsequent developments, information or events.



INDEPENDENT AUDITOR'S REPORT

To the Members of
AANANDA LAKSHMI SPINNING MILLS LIMITED.

Report on the Audit of the Financial Statements

Qualified Opinion

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

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

Basis for Qualified Opinion

- i) During the year the company has recorded purchase of cotton worth of Rs.436.79 Lakhs from a supplier and recorded a sale of Rs.555.32 Lakhs by selling to the same supplier on the day of purchase (Cotton trading activity) Which resulted in a profit of Rs.118.53 Lakhs. We are unable to comment upon this transaction and resulted profit.
- ii) During the year the company has provided Rs.100.76 Lakhs as interest on working capital loans and term loans with Andhra Bank as per Terms of OTS proposal submitted with the Banks, which the company has failed to repay. whereas interest as per Bank sanction letter amounts to Rs. 536.80 Lakhs. In the absence of statement of account/ confirmation from the Bank the above amount has been arrived at as per calculation made by the company.
- iii) During the year the company has not provided provision for Property Tax on factory Buildings.
- iv) Manufacturing operations of the company were stopped since 22nd September 2020, we did not receive physical verification reports for the property plant and Equipment as on the reporting date.
we are unable to comment on the condition, existence and consequent impairment impact if any on carrying value of Property, Plant and Equipment as at March 31,2021.
- v) Confirmation of balances was not obtained from Debtors, Creditors, loans and advances and other current assets. The management has not made any provision in the books of accounts.
- vi) The Company has not provided the liability towards Gratuity on actuarial valuation as required under The Ind As 19 Employee Benefits, We are unable to comment upon the impact of non-provision of additional loss of the company for the year and on the current liabilities as at March 31,2021.
- vii) The Company has not provided the liability towards interest and penalties payable on account of statutory dues.
Consequent to the above, loss for the year and Liabilities as at March 31, 2021 was understated and Shareholders funds are overstated to this extent.

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



Material Uncertainty Related to Going Concern

we draw attention to note no. 40(d) of Financial Results which states that during the year the company has incurred a loss of Rs. 448.86 Lakhs and as at March 31, 2021, accumulated losses of Rs. 4,799.08 lakhs as at March 31, 2021, resulting in complete erosion of net worth and current liabilities exceed current assets by Rs. 1936.02 Lakhs. Further there were lower cash inflows from existing business activities and the Company has defaulted in payment of dues to banks/ Financial Institutions and could not comply with the terms of sanction and /or repayment schedule of the banks. There were no written communications from banks for further extension of OTS Scheme. These conditions indicate the existence of material uncertainty that may cast significant doubt about the Company's ability to continue as a Going Concern. However, the accompanying financial have been prepared on "Going Concern" basis for the reasons stated in the said note.

Our opinion is not modified in respect of this matter.

Emphasis of Matter:

Attention is invited to the following material matters:

- a) Note no 43 of the statement Exceptional items includes Profit on sale of assets of Rs.238.75 lakhs, and
- b) As stated in Note No. 44 of the Financial Results, which describes the uncertainties and the possible effects of Covid-19 on the operations of the Company.

Our conclusion is not modified in respect of above matter

Key Audit Matters

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

Key Audit Matters	Auditor's Response
<p>Evaluation of Contingent liabilities</p> <p>The Company has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes</p> <p>Refer to Notes: no 40 to the Financial Statements</p>	<p>Principal audit procedures</p> <p>Our audit procedures include the following substantive procedures:</p> <ul style="list-style-type: none"> • Obtained understanding of key uncertain tax positions; and • We along with our internal tax experts – <ul style="list-style-type: none"> ➤ evaluated the Design and tested the operating effectiveness of controls around the assessment of the matter; ➤ Read and analyzed select key correspondences, external legal opinions / consultations by management for key uncertain tax positions; ➤ Discussed with appropriate senior management and evaluated management's underlying key assumptions in estimating the tax provisions; and ➤ Assessed management's estimate of the possible outcome of the disputed cases; <p>Assessed the appropriateness of disclosures made under the head 'Contingent Liabilities' in the financial Statements.</p>



Other information

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

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

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

Management's Responsibility for the Financial Statements

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

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
- 2) As required by Section 143(3) of the Act we report that:
 - a) We have sought and except for the matters described in the Basis for qualified opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit,
 - b) Except for the effects of the matters described in the Basis for qualified opinion paragraph above, In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books,
 - c) the balance sheet, the statement of profit and loss including other comprehensive income, statement of changes in equity and the cash flow statement dealt with by this Report are in agreement with the books of account,
 - d) Except for the effects of the matters described in the basis for qualified opinion paragraph, in our opinion, the aforesaid financial statements comply with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.
 - e) The matters described in Basis for Qualified Opinion and Material Uncertainty Relation to Going Concern above, in our opinion may have an adverse effect on the functioning of the company.
 - f) On the basis of written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act,



- g) With respect to the adequacy of internal financial controls over financial reporting of the Company with reference to these financial statements and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
- h) No managerial remuneration was paid during the year under review. Accordingly, reporting under requirements of section 197 does not apply.
- i) With respect to the other matters to be included in the Auditor's report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements. Refer Note no 45 of financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

for **K.S.RAO & CO.**

Chartered Accountants

Firm's Regn No.003109S

(M.NAGA PRASADU)

Partner

Membership No.231388

UDIN: 21231388AAAABN6566

Place : Hyderabad

Date : 31.07.2021



Annexure - A to the Auditor's Report:

The Annexure referred to in Para I under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date, to the members AANANDA LAKSHMI SPINNING MILLS LIMITED, SECUNDERABAD for the year ended March 31, 2021.

1. a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. As explained to us, the management could not verify physically the fixed assets situated at Bhongir (Factory) due to closure of plant during the year.
- c. According to the information and explanation given to us and on the basis of our examination of the records of the Company, the immovable properties have been transferred to AANANDA LAKSHMI SPINNING MILLS LIMITED (Resulting company) as per the scheme of demerger approved by Hon'ble High Court at Hyderabad.
2. No physical verification of inventory has been conducted during the year.
3. a. During the year, the Company has not granted any loans, secured or unsecured to Companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- b. In view of our comments in para (a) above, Clause (III) (a), (b) and (c) of paragraph 3 of the aforesaid order are not applicable to the Company.
4. In our opinion and according to the information and explanation given to us, the Company has not advanced any loan to any Director and no investments were made during the year as referred to in sections 185 and 186 of the Act. Therefore, the provisions of Paragraph 3(iv) of the Companies (Auditor's Report) Order 2016 are not applicable to the Company.
5. The Company has not accepted any deposits from the public. Hence the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013, and the rules framed there under, do not apply to this Company.
6. During the year, there was no production and related activity in the factory. and as such cost records pursuant to sub section(1) of section 148 of the Companies Act, 2013 have been not been maintained.

7. a. According to the records, the company is not regular in depositing undisputed statutory dues including provident fund, employees 'state insurance, Income-tax, Sales-tax, Service tax, Goods and Services Tax, Duty of customs, Duty of excise, Value added tax, Cess and all other statutory dues with the appropriate authorities. According to the information and explanations given to us, there are no arrears of outstanding statutory dues as at March 31, 2021 for a period more than six months from the date they became payable are as follows.

Name of Statute	Nature of the dues	Amount (In Lakhs)	Period to which the amount relates (Financial Year)	Due Since	Date of Payment
AP GST Act	Sales Tax Deferment	146.53	2019-20 & 2020-21	Mar 2020	Not Yet Paid
Central Sales Tax Act	CST	15.77	2015-16 ,2016-17 &2017-18.	June, 2015	Not Yet Paid
Employees provident Fund Act	Provident Fund Contribution	20.53	2017-2018 & 2018-2019 2019-20	April, 2017	Not Yet Paid
Employees State Insurance Act	Employees State Insurance	1.43	2019-20& 2020-21	Dec, 2019	Not Yet Paid
Professional Tax	Professional Tax	0.65	2017-18, & 2018-19,2019-20&2020-21	April ,2017	Not yet Paid
Income tax Act, 1961	TDS	15.45	2016-17,2017-18 & 2018-19 2019-20	Oct, 2016	Not Yet Paid

- b. According to the records of the Company and the information and explanations given to us, the dues of Sales tax, Income tax, Custom Duty, Wealth Tax, Service Tax, Excise Duty, Cess, which have not been deposited on account of dispute are as follows:

Name of Statute	Nature of the dues	Amount (In Lakhs)	Period to which the amount relates (Financial Year)	Forum where dispute is pending
Andhra Pradesh General sales Tax(AP GST) Act, 1957	Sales Tax Dues	3.25	2001-02	Hon'ble High Court Hyderabad
Andhra Pradesh General sales Tax(AP GST) Act, 1957 (Case filed by Bharat Petroleum Corporation Ltd)	Sales Tax dues	40.28	1997-98	Additional Chief Judge, City Civil Court, Secunderabad
Telangana state General sales Tax	Sales Tax dues	10.05	2014-2015	Hon'ble High Court Hyderabad



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

Name of the Bank	Amount of default as at the Balance Sheet date (Rs in Lakhs)*	Due from
Term Loans		
i) Andhra Bank -Corp	280.02	From Sep'2016
Working capital Loan		
Andhra Bank	1000.00	From Sep'2016

*Total Principal dues excluding interest

9. During the year under review, the company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) and Term loans during the year. Accordingly, the provisions of paragraph 3(ix) of the Companies (Auditor's Report) Order 2016 is not applicable.
10. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not paid any remunerations to directors. Accordingly, paragraph 3(xi) of the Companies (Auditor's Report) Order 2016 is not applicable.
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Companies (Auditor's Report) Order 2016 is not applicable.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Companies (Auditor's Report) Order 2016 is not applicable.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

for K.S.RAO & CO.

Chartered Accountants

Firm's Regn No. 003109S

(M.NAGA PRASADU)

Partner

Membership No. 231388

UDIN: 21231388AAAABN6566

Place : Hyderabad

Date : 31.07.2021



Annexure – B to the Auditor’s Report

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

We have audited the internal financial controls with reference to financial statements of **AANANDA LAKSHMI SPINNING MILLS LIMITED, SECUNDERABAD** (“the Company”) as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system 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 auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud and error.

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

Meaning of Internal Financial Controls with reference to financial statements

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

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



Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Qualified Opinion

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

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

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

In our opinion, except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

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

for K.S.RAO & CO.

Chartered Accountants

Firm's Regn No. 003109S

(M.NAGA PRASADU)

Partner

Membership No. 231388

UDIN: 21231388AAAABN6566

Place : Hyderabad

Date : 31.07.2021



BALANCE SHEET AS AT MARCH 31, 2021

Amount in ₹ Lakhs

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	4	694	1799.94
(b) Capital Work-in-Progress	5	0	3.61
(c) Intangible assets	6	0	0.13
(d) Financial Assets			
(i) Loans & Advances	7	4.43	0
TOTAL Non - Current Assets		698.43	1803.68
Current assets			
(a) Inventories	8	26.84	29.04
(b) Financial Assets			
(i) Trade receivables	9	289.38	395.65
(ii) Cash and cash equivalents	10	15.77	2.32
(iii) Others financial assets	11	7.08	7.54
(c) Current tax assets		23.38	24.76
(d) Other current assets	12	722.02	374.24
TOTAL Current Assets		1084.47	833.55
Total Assets		1782.90	2637.22
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	13	349.93	349.93
(b) Other Equity	14	(3234.77)	(2798.63)
Total Equity		(2884.84)	(2448.70)
Liabilities			
Non - current liabilities			
(a) Financial Liabilities			
(i) Borrowings	15	1634.16	1570.65
(b) Provisions	16	9.31	147.45
(b) Other Non-Current Liabilities	17	3.78	30.12
Total Non - Current Liabilities		1647.25	1748.22
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	1521.61	1835.37
(b) Trade payables	19		
i) MSME		22.67	22.49
ii) Other than MSME		374.24	364.98
(c) Other financial liabilities	20	242.23	141.47
(d) Other current liabilities	21	718.71	720.3
(e) Provisions	22	141.03	253.09
Total Current liabilities		3020.49	3337.7
Contingent Liabilities and Commitments			
Total Equity and Liabilities		1782.90	2637.22
Significant Accounting Policies	2&3		

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

For and behalf of Board of Directors
Aananda Lakshmi Spinning Mills Ltd

For K.S.Rao & Co.

Chartered Accountants
Firms' Registration Number: 003109S

D.K.Agarwal
Managing Director & CFO

Manish Gupta
Director

M.Naga Prasadu

Partner
Membership Number: 231388
Place: Secunderabad
Date: 31st July, 2021



STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED MARCH 31, 2021

Particulars		Note No.	For the year ended March 31,2021	For the year ended March 31,2020
I.	Revenue from Operations	23	684.79	993.94
II.	Other Income	24	77.40	3.56
III.	Total Income (I + II)		762.19	997.5
IV.	Expenses			
	Cost of Materials Consumed	25	10.68	4.12
	Purchases of Stock-in-Trade		436.78	172.59
	Changes in inventories of Stock-In-Trade	26	2.19	32.26
	Employee Benefits Expense	27	74.46	377.65
	Finance Cost	28	193.49	241.36
	Depreciation and amortisation expense	29	78.62	123.57
	Other expenses	30	536.24	650.78
	Total expenses (IV)		1332.48	1602.33
V.	Profit /Loss before exceptional items and tax (III - IV)		(570.29)	(604.83)
VI.	Exceptional items		238.75	540.27
VII.	Profit/Loss before tax (V + VI)		(331.54)	(64.56)
VIII.	Tax Expenses:			
	a. Current Tax			
	i. Relating to current period		-	-
	ii. Relating to Prior period		117.32	
	b. Deferred tax liability /(Asset)			
	i. On Temporary Differences		-	-
	Total Tax Expenses (VIII)		117.32	-
IX.	Profit for the period (VII - VIII)		(448.86)	(64.56)
X.	Other Comprehensive income	31		
	i. Items that will not be reclassified subsequently to profit or loss		0	1.81
	ii. Income tax relating to items that will not be reclassified to profit or loss		-	
	Total Other Comprehensive Income for the period (VIII)		0	1.81
XI.	Total Comprehensive Income for The Period (VII + VIII)		(448.86)	(62.75)
XII.	Earnings per equity share from Continuing operations:	32		
	Basic and Diluted		(12.83)	(1.7)

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

per our report of even date

For and behalf of Board of Directors
Aananda Lakshmi Spinning Mills Ltd

For K.S.Rao & Co.

Chartered Accountants
Firms' Registration Number: 003109S

D.K.Agarwal
Managing Director & CFO

Manish Gupta
Director

M.Naga Prasadu

Partner
Membership Number:231388
Place: Secunderabad
Date: 31st July, 2021

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

I Equity Share capital	(Amounts in Rs. Lakhs)				
	Particulars	At the beginning of the year	Changes during the year	At the end of the year	
For the year ended March 31, 2021		349.93	-	349.93	
For the year ended March 31, 2020		349.93	-	349.93	
II Other Equity				(Rs in Lakhs.)	
Particulars	Reserves and Surplus		Other comprehensive Income	Equity Portion on Interest free unsecured Loan from Directors	Total Equity
	Securities Premium	Export Allowance Reserve			
Balance as on 01.04.2020	1438.4	5.5	(4350.23)	(1.93)	109.64 (2798.62)
Profit/Loss for the year	-	-	(448.859)	-	(448.86)
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	(448.86)	-	(448.86)
Equity portion of loan from Directors	-	-	-	-	12.73
As at March 31, 2021	1438.4	5.5	(4799.09)	(1.93)	122.37 (3234.77)

See accompanying notes forming part of financials statements

per our report of even date

For K.S.Rao & Co.

Chartered Accountants

Firms' Registration Number: 0031095

M.Naga Prasadu

Partner

Membership Number:231388

Place: Secunderabad

Date: 31st July, 2021

For and behalf of Board of Directors

Aananda Lakshmi Spinning Mills Ltd

D.K.Agarwal

Managing Director & CFO

Manish Gupta

Director



Cash flow Statement for the year ended March 31, 2021

(Amount In Lakhs)

Particulars	For the Year ended March 31, 2021 (Audited)	For the year ended March 31, 2020 (Audited)
I Cash flow from operating activities:		
A. Profit before tax	(570.29)	(62.76)
B. Adjustment for:		
a. Depreciation and amortisation	78.62	123.575
b. Interest income	3.19	3.016
c. (Profit)/Loss on sale of fixed assets (net)	(94.38)	-
d. Provisions Written back	(0.10)	-
e. Finance cost	149.77	191.211
f. Debit Balance written off	4.37	122.268
g. Other Comprehensive Income items	-	(1.81)
h. Grant Income	(26.34)	-
i. Interest on unsecured loan	12.58	50.150
j. Interest on Deferred Sales Tax	31.14	-
	(411.44)	425.655
C. Adjustment for movements in Working capital		
a. Trade payables,	9.43	(35.79)
b. Other liabilities and Provisions	(151.01)	(552.51)
c. Trade receivables	(110.64)	(88.515)
d. Inventories	2.20	(23.869)
e. Financial and other current assets (Net of fair value adjustment on deposits)	(347.32)	43.805
D. Cash generated from Operations	(1008.78)	(231.219)
Less: Direct taxes Paid	-	(12.7)
Net cash flow from operating activities (I)	(1008.78)	(243.919)
II Cash flows from investing activities		
a. Purchase of fixed assets, including CWIP	85.02	-
b. Proceeds from sale of fixed assets	698.68	24.25
c. Non Current assets	(4.43)	236.46
d. Interest received	0.51	0.71
Net cash flow from/ (used in) investing activities (II)	779.78	261.42

**Cash flow Statement (Contd.)**

(Amount In Lakhs)

Particulars	For the Year ended March 31, 2021 (Audited)	For the year ended March 31, 2020 (Audited)
III Cash flows from financing activities		
a. Interest paid	(149.77)	(191.21)
b. Repayments of Loans & borrowings	392.22	171.04
Net cash flow from/ (used in) financing activities (III)	242.45	(20.17)
IV Net (decrease) in cash and cash equivalents (I + II + III)	13.45	(2.67)
Cash and cash equivalents at the beginning of the year	2.32	4.99
V Cash and cash equivalents at the end of the year	15.77	2.321
VI Components of cash and cash equivalents:		
a. Cash on hand	2.59	0.01
b. With banks		
i. on current account	13.18	2.31
Total cash and cash equivalents (note no.12)	15.77	2.32
Significant accounting policies 2&3		

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

per our report of even date

For K.S.Rao & Co.

Chartered Accountants
Firms' Registration Number: 003109S

M.Naga Prasadu

Partner
Membership Number:231388
Place: Secunderabad
Date: 31st July, 2021

For and behalf of Board of Directors
Aananda Lakshmi Spinning Mills Ltd

D.K.Agarwal
Managing Director & CFO

Manish Gupta
Director



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

01. Corporate Information

Aananda Lakshmi Spinning Mills Limited (The 'Company') is a Public Limited Company incorporated on 21.03.2013 and its Registered Office is at 6th Floor, Surya towers, 105, S.P.Road, Secunderabad-500003, Telengana State. The Company has discontinued its manufacturing activity at its manufacturing unit located at Bhongir, Yadadri Bhongir District in Telangana. The Company is listed on BSE.

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

02. Basis of Preparation:

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

03. Significant Accounting policies:

a) Significant accounting estimates and assumptions

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities and the disclosures of contingencies at the end of the each reporting year. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in outcomes that requiring a material adjustment to the carrying amounts of assets or liabilities affected in future periods.

Estimates and assumptions:

The key assumptions concerning the future and other key sources of estimation of uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The assumptions and estimates made by the company are based on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market change or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

i. Impairment of non-current assets:

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposals and its value in use. The fair value less costs of disposal is calculated based on available data from binding sales transactions, conducted at arm's length price, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a Discounted Cash Flow ("DCF") model. The value in use is sensitive to the discount rate (generally weighted average cost of capital) used for the DCF model as well as the expected future cash-inflows and the growth rate used for exploration purposes.

ii. Defined Benefit Plans:

The present value of the gratuity obligation is determined using actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, rate of increment in salaries and mortality rates. Due to complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All the assumptions are reviewed at each reporting date.

iii. Fair Value measurement of financial instruments:

When the fair values of financial assets and financial liabilities on reporting date cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques i.e., the DCF model. The inputs to these models are taken from observable markets.

iv. Contingencies:

Management judgement is required for estimating the possible inflow/outflow of resources, if any, in respect of contingencies/claim/litigations against the company/by the company as it is not possible to predict the outcome of pending matters with accuracy.

v. Property, Plant and Equipment:

Based on evaluations done by technical assessment team, the management has adopted the useful life and residual value of its Property, Plant and Equipment. Management believes that the assigned useful lives and residual value are reasonable.

vi. Intangibles:

Internal technical or user team assesses the useful lives of Intangible assets. Management believes that assigned useful lives are reasonable.

vii. Income Taxes:

Management judgment is required for the calculation of provision for income taxes and deferred tax assets/liabilities. The Company reviews at each balance sheet date the carrying amount of deferred tax assets/liabilities. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the financial statements.

viii. Provision for Warranty expenditure:

Due to the nature of industry the company operates, it needs to incur warranty expenditure on regular basis. Company applies rational judgement and past experience in determining the extent of provision to be created at the end of each reporting period.

b) Current Vs Non-current classifications:

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it satisfies below criteria:

- i. Expected to be realized or intended to be sold or consumed in normal operating cycle;
- ii. Held primarily for the purpose of trading;
- iii. Expected to be realized within twelve months after the reporting period, or
- iv. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current assets.

A liability is classified as current when it satisfies below criteria:

- i. Expected to settle the liability in normal operating cycle;
- ii. Held primarily for the purpose of trading;
- iii. Due to be settled within twelve months after the reporting period, or
- iv. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current liabilities.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

c) Property, Plant and Equipment:

Property, Plant and Equipment are stated at cost net of GST input credit, less accumulated depreciation and impairment losses if any. Cost comprises the purchase price, any attributable cost of bringing the asset to its working condition for its intended use and cost of borrowing till the date of capitalization in the case of assets involving material investment and substantial lead time.

Subsequent costs are included in the carrying amount of an asset or recognised as a separate asset, as appropriate, only if it is probable that the future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit and loss in the period in which they are incurred.

The company adopted cost model as its accounting policy, in recognition of the Property, Plant and Equipment and recognises at the transaction value as the cost.

Direct expenditure incurred and other attributable costs on projects under construction or in the process of installation are termed as Capital work in progress and shown at cost in the Balance Sheet.

Depreciation is provided on the straight line method as per the useful life prescribed in the schedule II to the Companies Act, 2013 except in respect of the following categories of assets in whose case the life of certain assets has been assessed based on technical advice taking into account the nature of the asset, the estimated usage of the asset, the operating condition of the asset, the estimated usage of the asset, the operating condition of the asset, past history of replacement, maintenance supports etc.

Estimated useful life of the assets are as follows:

Type of the Asset	Method of Depreciation	Useful life considered
Buildings	Straight line Method	3 – 60 Years
Plant and Machinery	Straight line Method	5 - 15 Years
Data processing equipment	Straight line Method	3 Years
Furniture and fixtures	Straight line Method	10 Years
Vehicles	Straight line Method	8 Years
Office Equipment	Straight line Method	5 Years

An item of Property, Plant and Equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in the Statement of Profit and Loss. Property, Plant and Equipment which are found to be not usable or retired from active use or when no further benefits are expected from their use are removed from the books of account and the carrying value if any is charged to Statement of Profit and Loss.

Transition to Ind AS:

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

d) Intangible Assets:

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

Computer software:

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

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use of disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in the Statement of Profit and Loss when the asset is derecognised.

e) Impairment of tangible and intangible assets:

i. The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using appropriate discounting factor. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

f) Borrowing Cost:

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in statement of profit and loss in the period in which they are incurred.

g) Inventories:

i. Stock-in-Trade:

Stock-in-Trade are stated at the lower of cost and net realizable value. Net realisable value represents the estimated selling price of inventories less estimated costs of completion and costs necessary to make the sale. Cost is determined on weighted average basis.

ii. Stores and Spares:

Spare parts, stand-by equipment and servicing equipment are recognised in accordance with Ind AS 16 when they meet the definition of Property, Plant and Equipment. Otherwise, such items are classified as inventory. Spare parts, stand-by equipment and servicing equipment classified as inventory are stated at the lower of cost or net realisable value. Cost is determined on weighted average basis.

h) Fair Value Measurement:

The Company measures financial instruments at fair value at each balance sheet date. Fair value is the price that would be received on selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or a liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and / or disclosure purpose in these financial statements is determined on such basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value, such as net realisable value in Ind AS 2, or value in use in Ind AS 36.

In addition, for financial reporting purpose, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurement are observable and the significance of the inputs to the fair value measurement in its entirety.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- i. Level 1 – Quoted (unadjusted market prices) in active markets for identical assets or liabilities.
- ii. Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurements is directly or indirectly observable.
- iii. Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

i) Revenue recognition:

i. Revenue from operations:

Revenue is recognized when all the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract, the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the entity. Revenue from operations includes sale of goods and services, net of Goods and Service Tax (GST) and trade discounts, cash discounts and other discounts.

- ii. **Interest/dividend:** Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.
Dividend income is recognised when the right to receive payment is established by the balance sheet date.

j) Foreign currency transactions:

In preparing the financial statements of the Company, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when fair value is determined. Non-monetary items are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognised in the statement of profit and loss in which they arise except for exchange differences on transactions entered into in order to hedge certain foreign currency risks.

k) Retirement and other employee benefits:

- i. Employer's contribution to Provident Fund, Employee State Insurance and Labour Welfare Fund which is in the nature of defined contribution scheme is expensed off when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the fund.
- ii. Gratuity liability is in the nature of defined benefit obligation. The company's Plan Assets comprise of Gratuity non fund and liability is provided based on independent actuarial valuation on projected unit credit method made at the end of each reporting period as per the requirements of Ind AS 19 on "Employee Benefits".
Actuarial gain/(loss) in the valuation are recognised as other comprehensive income for the period.
- iii. Compensated absences which are in the nature of defined benefit obligation are provided for based on estimates and provided for on the basis of independent actuarial valuation on projected unit credit method made at the end of each financial year as per the requirements of Ind AS 19 on "Employee Benefits".

l) Earnings Per Share:

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

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



m) Provisions:

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

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

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

n) Contingencies

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

o) Taxes on Income:

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

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

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

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

p) Prior period items:

In case prior period adjustments are material in nature the company prepares the restated financial statement as required under Ind AS 8 - "Accounting Policies, Changes in Accounting Estimates and Errors". In case of immaterial items pertaining to prior periods are shown under respective items in the Statement of Profit and Loss.

q) Cash and cash equivalents:

Cash and cash equivalents includes cash on hand and at bank, deposits held at call with banks, other short-term highly liquid investment with original maturities of three months or less that are readily convertible to a known amount of cash as are subject to an insignificant risk of changes in value and are held for meeting short-term cash commitments.

For the Statement of Cash Flows, cash and cash equivalents consists of short term deposits, as defined above, net of outstanding bank overdraft (if any) as they being considered as integral part of the company's cash management.

r) Financial instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets:**A. Initial recognition and measurement:**

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in statement of profit or loss. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the company commits to purchase or sell the asset.

B. Subsequent measurement:

For subsequent measurement, financial assets are classified into following categories:

- a. Debt instruments at amortized cost
- b. Debt instruments at fair value through profit and loss
- c. Equity instruments at fair value through profit and loss

a. Debt Instruments at amortized cost:

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- i. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- ii. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognized in the Statement of Profit and Loss.

b. Debt instrument at fair value through profit and loss (FVTPL):

AS per the Ind AS 101 and Ind AS 109 company is permitted to designate the previously recognised financial asset at initial recognition irrecoverably at fair value through profit or loss on the basis of facts and circumstances that exists on the date of transition to Ind AS. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

c. Equity Instruments at fair value through profit and loss (FVTPL):

Equity instruments/Mutual funds in the scope of Ind AS 109 are measured at fair value. The classification is made on initial recognition and is irrevocable. Subsequent changes in the fair values at each reporting date are recognised in the statement of profit and loss.

C. Derecognition:

A financial asset or where applicable, a part of a financial asset is primarily derecognised when:

- a. The rights to receive cash flows from the asset have expired, or
- b. The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognise the transferred asset to the extent of the company's continuing involvement.

D. Impairment of financial assets:

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the debt instruments, that are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance.

Expected credit loss is the difference between all contractual cash flows that are due to the company in accordance with the contract and all the cash flows that the entity expects to receive.

The management uses a provision matrix to determine the impairment loss on the portfolio of trade and other receivables. Provision matrix is based on its historically observed expected credit loss rates over the expected life of the trade receivables and is adjusted for forward looking estimates.

Expected credit loss allowance or reversal recognised during the period is recognised as income or expense, as the case may be, in the statement of profit and loss. In case of balance sheet it is shown as reduction from the specific financial asset.

Financial liabilities:

A. Initial recognition and measurement:

At initial recognition, all financial liabilities are recognised at fair value and in the case of loans, borrowings and payables, net of directly attributable transaction costs.

B. Subsequent measurement:

a. Financial liabilities at fair value through profit or loss:

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Gain or losses on liabilities held for trading are recognised in the statement of profit and loss.

The company doesn't designate any financial liability at fair value through profit or loss.

b. Financial liabilities at amortised cost:

Amortised cost, in case of financial liabilities with maturity more than one year, is calculated by discounting the future cash flows with effective interest rate. The effective interest rate amortisation is included as finance costs in the statement of profit and loss.

Financial liability with maturity of less than one year is shown at transaction value.



C. Derecognition:

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in statement of profit and loss as other income or finance costs.

s) Warranty:

The company periodically assesses and provides for the estimated liability on warranty given on sale of its products based on past experience of claims.

t) Segment reporting:

The Company has only one reportable business segment, which is manufacturing and trading of agriculture machinery and operates in a single business segment. Accordingly, the amounts appearing in the financial statements relate to the company's single business segment.

u) Exceptional Items

Significant gains/losses or expenses incurred arising from external events that is not expected to recur are disclosed as 'Exceptional Item'.

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

4 Property, Plant and Equipment		Gross Block						Accumulated Depreciation / Amortisation			Net Block	
		Balance As at 1 April 2020	Additions	Disposals	Balance as at 31st March 2021	Balance As at 1 April 2020	Depreciation for the year	On disposals	Balance as at 31st March 2021	Balance as at 31st March 2021	Balance As at 1 April 2020	
I	Tangible Assets											
a	Land	0.29	-	-	0.29	-	-	-	-	-	-	0.29
b	Buildings :											
	Factory Buildings	714.25	55.32	-	769.57	466.07	20.59	-	486.66	282.91	248.18	
	Non Factory Buildings- Non Resident	140.37	-	-	140.37	27.31	2.21	-	29.52	110.86	113.07	
	- Resident	277.71	-	-	277.71	41.97	4.39	-	46.36	231.35	235.74	
c	Plant and Equipment :											
	Plant And Machinery	4278.29	29.7	3647.68	660.31	3137.18	37.5	2535.8	638.88	21.44	1141.12	
	Generators	41.51	-	-	41.51	39.43	-	-	39.43	2.08	2.08	
	Testing Equipment	17.74	-	-	17.74	16.85	-	-	16.85	0.89	0.89	
	Electrical Installations	272.32	-	9.25	263.07	255.13	0.77	8.79	247.11	15.95	17.18	
	Canteen Equipment	6.86	-	-	6.86	5.82	0.69	-	6.51	0.34	1.03	
	Workshop Equipment	7.79	-	-	7.79	7.70	-	-	7.70	0.09	0.09	
	Weighing Machines	4.88	-	-	4.88	4.64	0.00	-	4.64	0.24	0.25	
	Water Works	12.49	-	-	12.49	10.82	0.61	-	11.43	1.06	1.67	
	Furniture and Fixtures	41.09	-	-	41.09	31.57	1.77	-	33.34	7.75	9.52	
	Office Equipment	15.68	-	-	15.68	14.65	0.16	-	14.81	0.87	1.03	
	Air Conditioners	25.65	-	-	25.65	17.73	1.51	-	19.24	6.41	7.92	
	Vehicles	124.99	-	-	124.99	106.06	8.42	-	114.48	10.51	18.93	
	Data Processing	40.82	-	-	40.82	39.85	-	-	39.85	0.97	0.97	
	Total	6022.73	85.02	3656.93	2450.82	4222.79	78.62	2544.59	1756.82	694.00	1799.94	
5	Capital Work In Progress	3.61	-	3.61	-	-	-	-	-	-	3.61	
6	Intangible Assets	2.56	-	2.56	-	2.44	-	2.44	-	0.13	0.13	



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

Amount in ₹ Lakhs

PARTICULARS	As at March 31,2021	As at March 31,2020
7 Loans - Non Current:		
a. Security Deposits - Recoverable (Telephone, APSEB, Electricity ,Coal deposits and others)	4.43	-
Total	4.43	-
8 Inventories:		
a. Finished Goods	-	2.2
c. Stores and Spares	26.84	26.84
e. Others -Cotton & PV waste(at realizable value)	-	-
Total	26.84	29.04
9 Trade Receivables:		
Unsecured, Considered Good		
a. Related Parties	-	-
b. Others	289.38	395.65
Total	289.38	395.65
10 Cash and cash equivalents:		
A. Balances in bank a/c's		
a. Current Accounts	13.18	2.31
B. Cash on Hand	2.59	0.01
Total	15.77	2.32
11 Other financial assets - Current:		
a. Staff Advances	4.4	5.24
b. Interest Receivable	2.68	2.3
Total	7.08	7.54
12 Other Current Assets:		
a. Advance for purchase of raw material and stores	193.53	48.43
b. Balance with Statutory Authorities	67.49	64.47
c. Prepaid Expenses	1.8	0.5
d. Land Held for Sale	180.4	62.24
e. Assets held for Sale	78.8	
f. Export License Receivable	198.6	198.6
g. Other Advances	1.4	-
Total	722.02	374.24



NOTES TO THE FINANCIAL STATEMENTS

Amount in ₹

PARTICULARS	As at March 31,2021	As at March 31,2020	
13 Share capital:			
A. <u>Authorised Share Capital:</u>			
50,00,000 Equity Shares of Rs. 10/- each	500.00	500.00	
	500.00	500.00	
B. <u>Issue Share Capital:</u>			
34,99,270 Equity shares of Rs 10/- each	349.93	349.93	
	349.93	349.93	
C. <u>Subscribed and paid up capital:</u>			
34,99,270 Equity shares of Rs 10/- each	349.93	349.93	
	349.93	349.93	
D. <u>Reconciliation of the shares outstanding at the beginning and at the end of year:</u>			
(A) Equity Share Capital			
In no. of Shares			
At the Beginning and at the end of the period	3499270	3499270	
In value of Shares			
At the Beginning and at the end of the period	349.93	349.93	
E. <u>Rights attached to the Equity Shares:</u>			
(i) The Company has only one class of equity shares having face value of Rs.10/- per share with one vote per each share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.			
(ii) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.			
F. <u>Details of Shareholders holding more than 5% shares in the company:</u>			
(A) Equity Shares:			
a. Sri. Devender Kumar Agarwal	In no.s	1486088	1486088
	In %	42.47%	42.47%
b. Narbada Bai Agarwal	In no.s	445233	445233
	In %	12.72%	12.72%
c. Westend Developers Ltd	In no.s	338000	338000
	In %	9.66%	9.66%



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

Amount in ₹ Lakhs

PARTICULARS	As at March 31,2021	As at March 31,2020
14 Other Equity:		
A. <i>Securities Premium</i>		
At the beginning and at the end of the period	1438.40	1438.4
Closing Balance	1438.40	1438.4
B. <i>Export Allowance Reserve</i>		
At the Commencement of the year	5.50	5.50
Closing Balance	5.50	5.50
C. <i>Surplus in Statement of Profit and Loss</i>		
a. At the beginning of the period	(4350.23)	(4285.66)
(+) For the current period	(448.86)	(64.56)
b. At the end of the period	(4799.09)	(4350.23)
D. <i>Other Comprehensive Income</i>		
On Actuarial Gain/(loss) on post employment benefits		
a. At the beginning of the period	(1.93)	(3.74)
b. Profit Transferred from the statement of Profit and loss	-	1.81
c. At the end of the period	(1.93)	(1.93)
E. <i>Equity portion on Interest free unsecured loan from Directors</i>	122.36	109.63
Total	(3234.77)	(2798.63)
15 Borrowings - Non Current:		
A. <i>Term loans-Secured</i>		
a. Andhra Bank - II	177.93	177.93
Less: Current maturities	177.93	177.93
Sub total	-	-
b. Andhra Bank - Corporate Loan	1030.9	1029.7
Less: Current maturities	1030.9	1032
Sub total	-	(2.3)
c. State Bank of India - Additional Term Loan	-	1.28
Less: Current maturities	-	-
Sub total	-	1.28
TOTAL	-	(1.02)



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

Amount in ₹ Lakhs

NOTE:

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

Terms of Repayment :

Particulars	Rate of Interest	Quarterly Instalments
a) Andhra Bank -II	14.50%	4
b) Andhra Bank - Corporate Loan	14.25%	20
c) State Bank of Hyderabad - Additional Term loan	14.30%	20
B. Unsecured loans		
- Loans from related parties		
(i) Liability component of Unsecured Loan from Directors	973.45	855.14
(ii) Inter-corporate Deposits	621.55	651.16
Sub total	1595.00	1506.30
C. Deferred Sales Tax Liability	39.16	65.37
Total (A+B+C)	1634.16	1570.65
16 Provisions - Non Current:		
<i>Provision for employee benefits</i>		
a. Leave Encashment (unfunded)	8.34	13.96
b. Provision for Gratuity	0.97	133.49
Total	9.31	147.45
17 Other Non-current Liability		
<i>Defered Grant account</i>	3.78	30.12
Total	3.78	30.12
18 Short term borrowings repayable on demand:		
A. Secured		
(I) Andhra Bank		
Cash Credit	1000.00	1000.00
Sub-Total	1000.00	1000.00



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

Amount in ₹ Lakhs

PARTICULARS	As at March 31,2021	As at March 31,2020
B. Current maturities of long term borrowings		
i). Andhra Bank -II	177.93	177.93
ii). Andhra Bank - Corporate Loan	1030.90	1032.00
Less: Loan Repayment Under OTS	929.90	559.90
Sub-Total	278.93	650.03
NOTE:		
I. All Working Capital loans are secured by hypothecation of stocks of raw materials, yarn, fabric, stock-in-process, stores and spares and book debts and by a second mortgage over the (present and future) movable & immovable properties of the Company on pari-passu basis and further guaranteed by three Directors of the Company in their personal capacities.		
C. Sales Tax deferement Payable	242.68	185.34
Total (A+B+C+D)	1521.61	1835.37
19 Trade Payables - Current:		
a. Small and Micro enterprises	22.67	22.49
b. Others	374.24	364.98
Total	396.91	387.47
20 Other financial liabilities - Current:		
Interest accrued		
a. Andhra Bank Term Loan	242.23	141.47
Total	242.23	141.47
21 Other current liabilities:		
a. Advance received against sales	207.63	451.49
b. Statutory Dues	25.01	20.85
c. Tax Related to Previous Periods	111.71	
d. Other payables	374.36	247.96
Total	718.71	720.3
22 Provisions - Current:		
A. <i>Provision for employee benefits</i>		
a. Provision for Gratuity (Un funded)	15.43	20.88
b. Leave Encashment (unfunded)	0.53	0.86
c. Salary & Reimbursements	99.35	139.86
d. Contribution to PF & ESI	21.97	69.9
e. Bonus Payable	3.75	21.59
Total	141.03	253.09



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

Amount in ₹ Lakhs

PARTICULARS	For the year ended March 31,2021 IndAS	For the year ended March 31,2020 IndAS
23 Revenue from Operations:		
A. Domestic Sales		
a. Yarn	49.84	12.48
b. Cotton Waste	7.65	34.71
c. Cotton Sale	555.32	195.37
B. Job Work Charges Collected	71.98	751.38
Total	684.79	993.94
24 Other Income:		
A. Interest Income on		
a. Security Deposits	3.09	3.02
b. Interest on Deposit	0.10	
B. <i>Other Non-operating Income (Net of Expenses)</i>		
a. Credit Balance and Excess provision Written Back	0.10	0.54
b. Rent Received	32.59	-
c. Sale of Stores and Spares	15.17	-
C. <i>Government Grant Account</i>	26.34	-
Total	77.40	3.56
25 Cost of Materials Consumed		
Opening Stock	-	-
Add : Purchases	10.68	4.12
	10.68	4.12
Less : Value of Raw materials sold	-	-
Less : Closing Stock	-	-
Total	10.68	4.12
26 Changes in inventories of Stock-In-Trade:		
a. Inventory at the beginning of the period		
Yarn	2.20	12.31
Cotton waste	-	22.15
Total	2.20	34.46
b. Inventory at the end of the period		
Yarn	-	2.20
Cotton waste	-	-
Total	-	2.20
(Increase)/Decrease in Stock	2.20	32.26



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

Amount in ₹ Lakhs

PARTICULARS	For the year ended March 31,2021 IndAS	For the year ended March 31,2020 IndAS
E. Insurance	2.69	6.04
F. Rates and taxes, excluding, taxes on income	28.31	32.33
I. Printing and Stationery	1.76	0.54
J. Postage, Telegrams and Telephones	0.18	1.64
K. Travelling and Conveyance	0.99	3
L. Directors' Sitting Fees	0.90	1.37
M. Advertisement	0.58	1.06
N. Expenses on Sales	0.38	1.6
O. Legal & Professional Charges	2.99	2.2
P. Vehicle Maintenance	2.19	3.6
Q. Bad debts and Debit balance written off	4.37	122.27
R. Loss on Sale of Fixed Assets	307.73	17.93
S. Miscellaneous expenses	13.88	15.57
T. Impairment Loss	53.84	
V. Donations	-	0.15
U. Prior period items	26.92	45.06
Total	536.24	650.78
31 Other comprehensive income:		
a. Actuarial Gain/(Losses) on Gratuity Expense for the period	-	1.81
b. Deferred Taxes on above	-	-
Total	-	1.81
32 Earnings Per Equity Share:		
a. Total Comprehensive Income for the period	(448.86)	(62.75)
b. Weighted average number of equity shares of Rs. 10/-each	3499270	3499270
Earnings per equity share (Basic and Diluted) - (a) / (b)	(12.83)	(1.79)



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

Amount in ₹ Lakhs

33. Retirement Benefit Obligations:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
A. Defined Contribution Plan (Expenses):		
Contribution to Provident Fund	0.90	7.22
Contribution to Employee State Insurance	0.33	2.80
B. Defined Benefit Plans (Gratuity):		
1. Movement in Obligation – Gratuity:		
Present Value of Obligation at the beginning of year	148.81	131.41
Current Service Cost	-	10.05
Interest Cost	-	10.02
Benefits Paid	-	-
Actuarial (Gain)/Loss on Obligation	-	(1.80)
Present Value of Obligation at the end of year	148.81	148.81
2. Movement in Plan Assets – Gratuity:		
Contributions during the year	-	0.87
Benefits Paid during the year	-	(0.87)
Fair Value of Planned assets at the end of the year	-	-
3. Expenses recognised in Profit and Loss Statement:		
<u>Gratuity: -</u>		
Current Service Cost	-	10.05
Net Interest Cost	-	10.02
Expense for the year	-	20.07
4. Recognized in Other Comprehensive Income:		
Actuarial (Gain) /loss for the year	-	(1.80)
5. Actuarial Assumptions for estimating Company's Defined Benefit Obligation:		
a. Attrition Rate		
Age at valuation date		
18-30 years	-	6.00%
31-40 years	-	5.00%
41 and above years	-	1.00%
b. Discount Rate	-	7.63%
c. Expected Rate of Increase in Salary	-	4.00%
e. Mortality Rate	Indian Assured Lives Mortality 2012-14 Ult.	Indian Assured Lives Mortality 2006-08 Ult.
f. Average Remaining Working Life	-	13.00 years
g. Decrement Adjusted Future Service	-	11.93 years



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

Amount in ₹ Lakhs

6. Sensitivity Analysis:

Defined Benefit Obligation (Base)			148.81
Sensitivity	Change	Effect on obligations	
Discount Rate	+ 1 %	-	
	- 1 %	-	
Salary Growth Rate	+ 1 %	-	
	- 1 %	-	
Attrition Rates	+ 50%	-	
	- 50%	-	
Morality Rates	+ 10%	-	
	- 10%	-	

Please note that the sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. There is no change in the method of valuation for the prior period.

7. Expected Payout – Undiscounted

(Rs In Lakhs.)

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

8. Other Information:

Present value of defined benefit obligation:

Present value of the defined benefit obligation is calculated by using Projected Unit Credit method (PUC Method). Under the PUC method a “projected accrued benefit” is calculated at the beginning of the year and again at the end of the year for each benefit that will accrue for all active members of the Plan. The “projected accrued benefit” is based on the Plan’s accrual formula and upon service as of the beginning or end of the year, but using a member’s final compensation, projected to the age at which the employee is assumed to leave active service. The Plan Liability is the actuarial present value of the “projected accrued benefits” as of the beginning of the year for active members.

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

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



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

Amount in ₹ Lakhs

Particulars	For the year ended March 31, 2021	For the year Ended March 31, 2020
34. Income tax expense and Deferred Taxes:		
<u>Income Tax Expense: -</u>		
a. Current Tax	-	-
b. Deferred Tax (arising on temporary differences)	-	-
Total Tax Expense for the year	-	-
Note: The company has not recognized Deferred Tax Assets, due to lack to reasonable certainty that deferred taxes will be reversed in near future.		
<u>Effective Tax Reconciliation: -</u>		
a. Net Profit/(Loss) before taxes	(331.53)	(64.56)
b. Tax rate applicable to the company as per normal provisions	26%	26%
c. Tax expense on net profit (c = a*b)	(86.19)	(16.79)
d. Increase/(decrease) in tax expenses on account of:		
i. Accelerated Depreciation	78.62	25.00
ii. Effect of expenses not deductible in determining taxable profits	100.76	45.06
iii. Effect for deduction for expenses earlier disallowed	-	-
vi. Disallowances U/s 43B	(38.32)	-
vii. Other adjustments	-	-
Net Increase/(decrease) in tax expenses	141.06	70.06

35. Fair Value of Financial Instruments:

The management assessed that cash and cash equivalents, trade receivables, trade payables, and other current assets and liabilities approximate to their carrying amount largely due to the short-term maturities of these instruments.

The fair value of the financials assets and liabilities is reported at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- a. The fair values of the quoted instruments are based on price quotations at the reporting date. The fair value of unquoted instruments is based on the Net Asset Value provided by the Management as on the date of reporting.
- b. Fair value of Deferred Sales Tax Liability and Unsecured Loans is calculated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

Description of significant observable inputs to valuation:

- Deferred Sales Tax Liability and Unsecured Loans:
Interest Rate factor has been considered at a rate currently available for debt on similar terms, by the company for discounting the amount receivable at the time of maturity.



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

Amount in ₹ Lakhs

The carrying amount of all financial assets and liabilities (except for those instruments carried at fair value) appearing in the financial statements is reasonable approximation of fair values.

Particulars	Carrying Value		Fair value	
	March 31, 2021	March 31, 2020	March 31,2021	March 31,2020
Financial Assets				
At Amortised cost				
Loans	4.43	-	4.43	-
Trade receivables	289.38	395.65	289.38	395.65
Cash and Bank Balances	15.77	2.32	15.77	2.32
Other Financial assets	7.08	7.54	7.08	7.54
Total Financial Assets	316.66	405.51	316.66	405.51
Financial Liabilities				
At Amortised cost				
Borrowings	3155.78	3406.01	3155.78	3406.01
Trade Payables	396.90	387.48	396.90	387.48
Other Financial liabilities	242.23	141.47	242.23	141.47
Total Financial Liabilities	3794.91	3934.96	3794.91	3934.96

36. Fair Value hierarchy:

The following tables provide the fair value measurement hierarchy of the company's financial assets and liabilities. Quantitative disclosures of fair value measurement hierarchy for financial instruments as at March 31, 2021:

Particulars	Total Value	Fair Value measurement using		
		Quoted prices inactivemarkets (Level – 1)	Significant observable inputs (Level – 2)	Significant unobservable inputs (Level- 3)

Financial Assets: -

Designated at Amortised Cost:

Loans& Advances	4.43	-	-	4.43
Trade Receivables	289.38	-	-	289.38
Cash and Bank Balances	15.77	-	-	15.77
Other Financial Assets	7.08	-	-	7.08

Financial Liabilities: -

Designated at Amortised Cost:

Borrowings	3155.78			3155.78
Trade Payables	396.90	-	-	396.90
Other Financial liabilities	242.23	-	-	242.23

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

Amount in ₹ Lakhs

Quantitative disclosures of fair value measurement hierarchy for financial instruments as at March 31, 2020:

Particulars	Fair Value measurement using			
	Total Value	Quoted prices in active markets (Level – 1)	Significant observable inputs (Level – 2)	Significant unobservable inputs (Level- 3)
Financial Assets: -				
Designated at Amortised Cost:				
Loans	-	-	-	-
Trade Receivables	395.65	-	-	395.65
Cash and Bank Balances	2.32	-	-	2.32
Other Financial Assets	7.54	-	-	7.54
Financial Liabilities: -				
Designated at Amortised Cost:				
Borrowings	3406.01	-	-	3406.01
Trade Payables	387.48	-	-	387.48
Other Financial liabilities	141.47	-	-	141.47

37. Related Party Transactions:

During the year under reference the Company has entered following transactions with Related Parties:

Names of the Related parties and description of relationship:
i) Key Managerial Personnel

Name of Party	Description of relationship
Sri. Devender Kumar Agarwal	Managing Director & CFO

ii) Relatives of Key Management Personnel

Name of Party	Description of relationship
Smt. Narbada Agarwal	Mother of Sri Devender Kumar Agarwal
Smt. Latha Agarwal	Wife of Sri. D. K. Agarwal
Sri. Prateek Agarwal	Son of Sri. D. K. Agarwal

iii) Enterprises over which the Shareholders of the Company, KMP/relatives of KMP exercise Control or significant influence

1. M/s. Suryavanshi Spinning Mills Limited
2. M/s. Sheshadri Industries Limited
3. M/s. Suryalakshmi Cotton Mills Limited
4. M/s. Suryavanshi Industries Limited
5. M/s. Sheshadri Power and Infrastructure Pvt.Ltd

Note: The details of related parties with whom the company has entered into transactions during the reporting periods have been disclosed.

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

Amount in ₹ Lakhs

a) Transactions with Enterprises over which the Shareholders of the Company, KMP/relatives of KMP exercise Control or significant influence:

Particulars	2020-21	2019-20
i) Purchase of Raw materials and spares		
M/s. Suryavanshi Spinning Mills Limited	0.50	1.96
-Spares		
M/s. Sheshadri Industries Limited	3.09	-
-Raw Materials		
ii) Sale of Raw Material and Spares		
M/s. Suryavanshi Spinning Mills Ltd	-	1.96
- Raw Material		
M/S. Suryavanshi Spinning Mills Ltd- Spares	46.90	-
M/s. Sheshadri Industries Ltd - Spares	11.50	-
M/s. Surya Lakshmi Cotton Mills Ltd	53.27	-
iv) Interest on Unsecured Loan		
M/s. Suryalakshmi Cotton Mills Limited	2.29	2.29

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

Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
	Short-term Benefits	Long-term Benefits	Short-term Benefits	Long-term Benefits
Sri Devender Kumar Agarwal	-	-	-	-

(ii) Unsecured loan Received (Net of Repayments)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Sri Devender Kumar Agarwal	207.56	187.40
M/s. Sheshadri Power and Infrastructure Pvt Ltd	400.00	400.00
(iii) Equity portion of Unsecured loan		
Sri Devender Kumar Agarwal	-	7.89
(iv) Interest on Unsecured loans		
Sri Devender Kumar Agarwal	12.58	37.58
M/s. Sheshadri Power and Infrastructure Pvt Ltd	32.00	11.90

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

Smt. Latha Agarwal	-	-
Sri. Prateek Agarwal	-	-
Devender Kumar Agarwal (HUF)	-	-



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

Amount in ₹ Lakhs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(ii) Equity portion of Unsecured loan		
Smt. Narbada Agarwal	-	-
Smt. Latha Agarwal	-	-
Sri. Prateek Agarwal	-	-
Devender Kumar Agarwal (HUF)	-	-
(iii) Interest on Unsecured loans		
Smt. Narbada Agarwal	-	-
Smt. Latha Agarwal	-	8.45
Sri. Prateek Agarwal	-	-

Outstanding balances at the year end

Particulars	As at March 31,2021	As at March 31, 2020
a. Amounts due from related parties		
(i) Sale of Machinery		
M/s. Sheshadri Industries Limited	85.02	73.52
M/s. Suryavanshi Spinning Mills Ltd	44.92	
b. Amounts due to related parties		
(i) Purchase of Raw Material		
M/s. Suryavanshi Industries Limited	86.18	106.45
M/s. Sheshadri Industries Limited	16.35	73.52
M/s. Suryavanshi Spinning Mills Limited	60.92	249.10
(ii) Advances		
M/s. Innovative Interiors	21.04	-
(iv) Unsecured Loan		
M/s. Suryalakshmi Cotton Mills Limited	5.03	27.72
Sri D.K.Agarwal	653.35	445.79
Sri B.N.Agarwal	8.00	8.00
Smt.Latha Agarwal	266.47	338.73
Sri.Prateek Agarwal	-	7.88
Smt.Narbada Agarwal	-	8.99
Devender Kumar Agarwal (HUF)	3.50	3.50
(v) Equity portion of Unsecured Loan		
Sri D.K.Agarwal	-	7.89

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

Amount in ₹ Lakhs

38. Financial Risk Management objectives and policies:

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

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

i. Market Risk:

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

a. Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of the Company and the Company's financial instruments will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk arises primarily from the Company's long-term debt obligations, advances, security deposits and cash and cash equivalents.

The company's policy is to manage its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

ii. Credit risk:

Credit risk is the risk of loss that may arise on outstanding financial instruments when counterparty default on its obligations. The Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including investment securities, cash and short-term deposit), the Company minimizes the credit risk by dealing exclusively with high credit rating counterparties. The Company's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Company trades only with recognised and creditworthy third parties. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures.

In addition, Outstanding customer receivables are regularly monitored and any credits to new customers are generally covered by appropriate security in the form of deposits.

a. Exposure to credit risk:

At the end of the reporting period, the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position. No other financial assets carry a significant exposure to credit risk.

b. Credit risk concentration profile:

At the end of the reporting period, there were no significant concentrations of credit risk. The maximum exposures to credit risk in relation to each class of recognised financial assets is represented by the carrying amount of each financial assets as indicated in the balance sheet.

c. Financial assets that are neither past due nor impaired:

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment record with the Company. Cash and short-term deposits, investment securities that are neither past due nor impaired are placed with or entered with reputable banks, financial institutions or companies with high credit ratings and no history of default.



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

Amount in ₹ Lakhs

d. Financial assets that are either past due or impaired:

Trade receivables that are past due or impaired at the end of the reporting period, for which life time expected credit loss has been provided by the company according to its policy. These are shown in the balance sheet at carrying value less impairment/expected credit loss.

iii. Liquidity risk:

The risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The company ensures that it has sufficient cash on demand to meet expected operational demands, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted.

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

	Less than 12 months	1 to 3 years	More than 3 years	Total	Carrying Amount
As at March 31, 2021					
Borrowings		1835.36	1320.42	3155.78	3155.78
Trade Payables	22.22	73.55	301.13	396.90	396.90
Other Financial Liabilities	100.76	141.47		242.23	242.23
As at March 31, 2020					
Borrowings	1835.36	1570.65		3406.01	3406.01
Trade Payables	16.41	154.97	216.10	387.48	387.48
Other Financial Liabilities	141.47			141.47	141.47

39. Capital Management:

Particulars	As at March 31, 2021	As at March 31, 2020
Total Borrowings #	3406.01	3406.01
Net Debt		
Equity	349.93	349.93
Other Equity*	(3234.76)	(2798.62)
Total Equity	(2884.84)	(2448.69)
Debt/Equity ratio	(1.18)	(1.39)

Total Borrowings includes Long-term and short-term borrowings, Loans from related parties, Deferred Sales Tax Liability and Cash and packing credits.

*Other Equity includes securities premium, export allowance, equity portion of unsecured loans.



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

Amount in ₹ Lakhs

40. Contingencies and Commitments:

Particulars	As at March 31, 2021	As at March 31, 2020
Contingent Liabilities		
a. Demand from Sales Tax Department, Andhra Pradesh in connection with levy of purchase tax on polyster staple fibre from Reliance Industries Limited, levy of tax on work contract receipts and withdrawal of deferment availed by the company for the year 2001-02. AP Sales Tax Appellate Tribunal set aside the order passed by the Sales Tax Authorities. The Department has challenged the said order before the Hon'ble High Court of AP. and the same is pending.	3.25	3.25
b. Bharat Petroleum Corporation Limited filed a civil suit before Addl. Chief Judge City Civil Court, Secunderabad, against the company for alleged deferential sales tax dues on purchase of HSD and furnace oil made by the company during the financial years 1996-97 & 1997-98.	40.28	40.28
c. 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 chrystalized, the liability shall be shared by Suryavanshi Spinning Mills Limited (Demerged Company), Aananda Lakshmi Spinning Mills Limited (Resulting commpany - I) and Sheshadri Industries Limited (Resulting Company - II) equally, since the Company Demerged on 01.04.2013 (Appointed Date) as per the Scheme of Arrangement approved by Hon'ble High Court at Hyderabad. However, the company decided to opt the scheme of the central Government under VIVAAD SE VISHWAS scheme announced and settle the disputed liability by providing Rs. 117.32 Lakhs in FY 2020-21. The same amount would proceed to paid by the due date.		
d. The Company has recorded a net loss of Rs. 64.56 lakhs for the year and has accumulated losses of Rs. 4350.23lakhs as at March 31,2020 resulting in complete erosion of the net worth and current liabilities exceed current asset by Rs. 2504.15 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 settle the liabilities and company's operations would be revived, the accompanying financial statement have been prepared on a "going concern" basis.		
Commitments		
a. Estimated amount of contracts remaining to be executed on capital accounts and not provided for (net of advances)	-----	-----

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

Amount in ₹ Lakhs

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

Particulars	As at March 31, 2021		As at March 31, 2020	
	Principal	Interest	Principal	Interest
Amount due to vendor	14.87	7.78	16.43	6.06
Principal amount paid (includes unpaid) beyond appointed date	-	-	-	-
Interest due and payable for the year	-	-	-	-
Interest accrued and remaining unpaid	-	-	-	-

*The information with regard to Micro, Small and Medium Enterprises has been determined to the extent such parties could be identified on the basis of the information available with the company. The above-mentioned amount is due to them for a period exceeding 45 days and the company has not provided any interest for the delay in payments as the company is in the process of settling the dues with the parties amicably.

42. The company is engaged in the business of textiles and in real estate sector.
43. The company has shown Rs. 238.75 lakhs as exceptional income which comprises of Rs.212.03 towards sale of plots and Rs. 26.72 lakhs towards sale of plant and machinery.
44. The company has shown Rs.244.63 as revenue from continued operations comprising of sale of plots and rental income and claimed depreciation on factory building of Rs. 20.25 lakhs and earned a net profit of Rs. 244.38 lakhs on continued operations.
45. The company has shown Rs.756.32 lakhs as revenue from discontinued operations and expenditure of Rs. 1429.55 lakhs including prior period tax expenses of Rs. 117.32 lakhs.
46. The Company has shown a total comprehensive loss of Rs. 448.86 lakhs including continued and discontinued operations.
47. The company could not obtain confirmation of balances as at 31st March, 2021 in respect of trade receivables and trade payables and the Company hopes that they would be collected and paid.
48. The Company Paid 40% of OTS amount to Andhra Bank. The Company requested further extension to the bank to pay the balance dues of OTS. The Company has provided interest on OTS to Andhra Bank up to the FY 2020-21 of Rs. 242.23 Lakhs. The Management was confident of clearing dues to Andhra Bank as on 31st March 2020. Due to unforeseen COVID Lockdown The Company Couldn't clear the dues and hence provided Interest.

Previous year figures have been regrouped where ever necessary to conform current year classification.

For and behalf of Board of Directors
Aananda Lakshmi Spinning Mills Ltd

For K.S.Rao & Co.

Chartered Accountants
Firms' Registration Number: 003109S

D.K.Agarwal
Managing Director & CFO

Manish Gupta
Director

M.Naga Prasadu

Partner
Membership Number:231388
Place: Secunderabad
Date: 31st July, 2021



AANANDA LAKSHMI SPINNING MILLS LIMITED

CIN: L17121TG2013PLC086564

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

Phone: 91-40-27898982

Website: www.aanandalakshmi.com, Email: info@aanandalakshmi.com

FORM No. MGT-12: POLLING PAPER

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

BALLOT PAPER

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

I hereby exercise my vote in respect of the ordinary / special resolutions for the business enumerated below and as stated in the Notice of 8th Annual General Meeting of the Company to be held on Thursday, 30th day of September, 2021 at 10.30 AM by recording my/ assent or dissent to the said resolution by placing tick (√) at the appropriate box below:

(√)

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

Place: Secunderabad

Date: 14.08.2021

Signature of the member



AANANDA LAKSHMI SPINNING MILLS LIMITED

8th Annual General Meeting
AANANDA LAKSHMI SPINNING MILLS LIMITED

Registered Office: 6th Floor, Surya Towers, 105,

S.P.Road, Secunderabad – 500003

Phone: 91-40-27898982

Website: www.aanandalakshmi.com, Email: info@aanandalakshmi.com

CIN: LI1712ITG2013PLC086564

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 Aananda Lakshmi Spinning Mills Limited held on **Thursday, 30th day of September, 2021 at Incredible One Hotel, 1-2-40, 41 & 43, Park Lane, Sandhu Apartment, Kalasiguda, Secunderabad, Telangana 500003**

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

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



8th Annual General Meeting
AANANDA LAKSHMI SPINNING MILLS LIMITED
Registered Office: 6th Floor, Surya Towers, 105, S.P.Road, Secunderabad – 500003
 Phone: 91-40-27898982.
 Website: www.aanandalakshmi.com, Email: info@aanandalakshmi.com
CIN: L17121TG2013PLC086564

PROXY FORM

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

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

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

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

as my/ our proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the Annual General Meeting of the company, to be held on **Thursday, 30th day of September, 2021 at 10.30 A.M. at Incredible One Hotel, 1-2-40, 41 & 43, Park Lane, Sandhu Apartment, Kalasiguda, Secunderabad, Telangana 500003** or at any adjournment thereof in respect of such resolutions as are indicated below:

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

Signed this _____ day of _____ 2021

Affix Revenue stamp

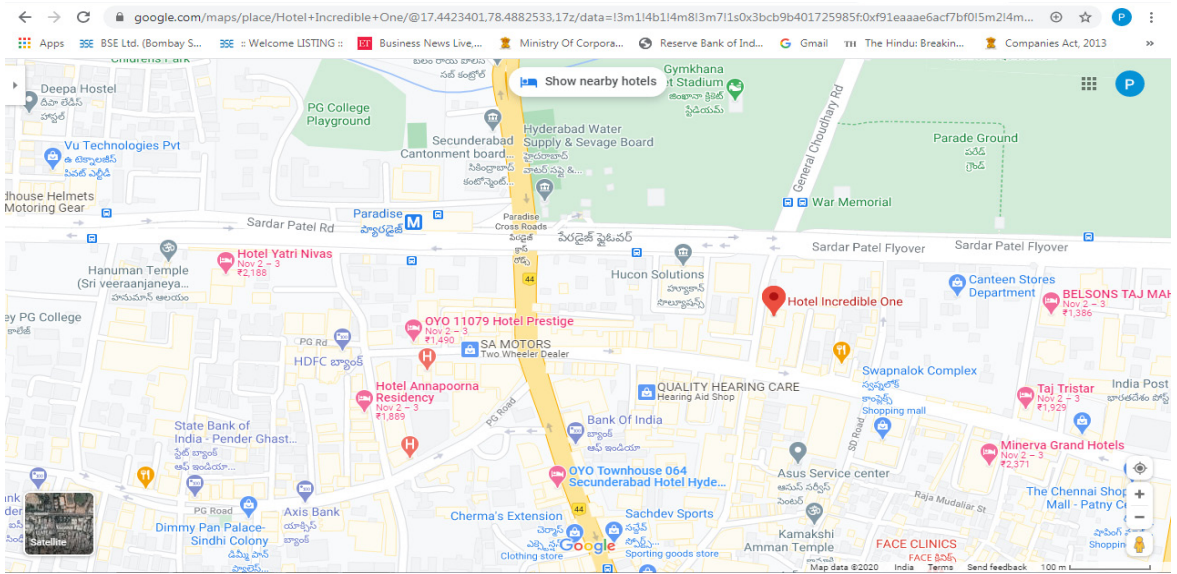
Signature of Shareholder

Signature of Proxyholder(s)

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

ROUTE MAP FOR THE VENUE OF 08TH ANNUAL GENERAL MEETING:

1-2-40, 41 & 43, Park Lane, Sandhu Apartment, Kalasiguda, Secunderabad, Telangana 500003, India



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AANANDA LAKSHMI SPINNING MILLS LIMITED

Surya Towers, 6th Floor, 105, S.P. Road,
Secunderabad - 500 003, Telangana, India.
Phone: 91-40-30512700, Fax: 91-40-30512725
Website: www.aanandalakshmi.com,
Email: info@aanandalakshmi.com,
CIN: L17121TG2013PLC086564