

BOARD OF DIRECTORS

- | | |
|-------------------------------|-------------------------|
| 1. Mr. Virender Kumar Agarwal | Managing Director |
| 2. Smt. Seema Rani Agarwal | Joint Managing Director |
| 3. Mr. Mayank Agarwal | Executive Director |
| 4. Mr. Amit Goela | Independent Director |
| 5. Mr. Manish Kumar Gupta | Independent Director |
| 6. Mr. Sushil Kapadia | Additional Director |

CHIEF FINANCIAL OFFICER

Mr. Gajanan N. Chhawsaria

REGISTERED OFFICE

Surya Towers, 1st Floor,
105, Sardar Patel Road,
Secunderabad - 500 003.

AUDITORS

M/s. S.Venkatadri & Co.,
1408, Babukhan Estate, Basheerbagh,
Hyderabad-500 001

REGISTRAR & TRANSFER AGENTS

M/s. Karvy Computershare Private Limited.
Karvy Selenium Tower B, Plot No 31 & 32
Financial District, Nanakramguda,
Serilingampally Mandal, Hyderabad-500032
Ph. No: 040-23420814 Fax No: 040-23420818
E-mail: einward.ris@karvy.com

BANKERS

State Bank of India
Industrial Finance Branch,
Bharat Nagar, Nagpur - 440 033.

Axis Bank Limited
M.G. House, Civil Lines,
Nagpur. 440 001

FACTORY

Mouza - Nayakund,
Near Ramtek, Nagpur District,
Maharashtra.

LISTED ON

Bombay Stock Exchange Limited, Mumbai

Book Closure Dates : from 01st August, 2016 to 05th August, 2016 (Both days inclusive).

COMMITTEES OF THE BOARD
AUDIT COMMITTEE

- | | |
|----------------------------|----------|
| 1. Mr. Amit Goela | Chairman |
| 2. Smt. Seema Rani Agarwal | Member |
| 3. Mr. Sushil Kapadia | Member |

STAKEHOLDERS RELATIONSHIP COMMITTEE

- | | |
|----------------------------|----------|
| 1. Mr. Amit Goela | Chairman |
| 2. Smt. Seema Rani Agarwal | Member |
| 3. Mr. Sushil Kapadia | Member |

NOMINATION & REMUNERATION COMMITTEE

- | | |
|---------------------------|----------|
| 1. Mr. Amit Goela | Chairman |
| 2. Mr. Manish Kumar Gupta | Member |
| 3. Mr. Sushil Kapadia | Member |

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Green Initiative

The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliance by the Companies. As per the Section 101 read with Rule 18 of Companies (Management and Administration) Rules, 2014 of Companies Act, 2013, A member of Company can receive notice in electronic mode via e-mail. Your Company has decided to join the MCA in its environmental friendly initiative.

Henceforth, the Company proposes to send documents such as Notice of the General Meetings, Annual Report and other communication to its shareholders via electronic mode to the registered e-mail addresses of shareholders. To support this green initiative of the Government in full measure, shareholders are requested to register/update their latest e-mail addresses with their Depository Participant (D. P) with whom they are having De-mat A/c or send the same to the Company via e-mail at: mail@suryaamba.com

We solicit your valuable co-operation and support in our endeavors to contribute our bit to the environment.

NOTICE

Notice is hereby given that 9th Annual General Meeting of the members of M/s. Suryaamba Spinning Mills Limited will be held on Friday, 5th August, 2016 at 11.30 A.M. at Kamat Lingapur Hotel, 1-10-44/2, Chikoti Gardens, Begumpet, Hyderabad-500016 to transact the following business:

Ordinary Business:

1. Adoption of Accounts:

To receive, consider and adopt the Audited Financial Statements for the Financial year ended 31st March 2016 and the Reports of the Auditors and Directors thereon.

2. To declare dividend on 8% Cumulative Redeemable Preference Shares (CRPS) for the financial year ended 31st March, 2016.
3. To declare dividend on Equity Shares for the financial year ended 31st March, 2016.
4. To appoint a director in place of Shri Mayank Agarwal (DIN: 02749089), Whole Time Director of the Company, who retires by rotation and, being eligible offers himself for re-appointment.

5. To consider and approve the ratification of appointment of Statutory Auditors:

To Consider and if deemed fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the Act), and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or reenactment thereof, for the time being in force), M/s. S. Venkatadri & Co., Hyderabad (Registration No. 004614S) be and are hereby re- appointed as the Statutory Auditors of the Company to hold the office from the conclusion of this 9th Annual General Meeting until the conclusion of the

13th Annual General Meeting subject to ratification by members at every Annual General Meeting, at such remuneration plus service tax, out-of-pocket, travelling and living expenses, etc., as may be incurred in performance of their duties, as the Board of Director may fix in this behalf."

Special Business:

6. Appointment of Mr. Sushil Kapadia as an Independent Director.

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder, read with Schedule IV to the Act, as amended from time to time, Mr. Sushil Kapadia, (DIN 07529921), who was appointed as an additional director of the Company in the Board Meeting held on 28th May, 2016 and whose office ceases at the commencement of this Ninth (09) Annual General Meeting and in respect of whom the company received a notice in writing from him under section 160 of the companies act, 2013, proposing his candidature for the office of director of the company and who has submitted a declaration that he meets the criteria for independence as provided in Section 149 (6) of the Act and the SEBI Listing Regulations, 2015 who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from 5th August, 2016 to 4th August, 2021."

7. Ratification of Remuneration to the Cost Auditors:

To consider and if thought fit, to pass, with or without modification (s), the following



Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the Provisions of Section 148 and other applicable provisions if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any Statutory modification (s) or re-enactment(s) thereof, for the time being in force), the remuneration of 40,000/- (Rupees Forty Thousand Only) and reimbursement of out of pocket expenses incurred by M/s. G. R. Paliwal & Co, Cost Accountants (Firm Registration no. 7815) appointed by the Board of Directors to conduct the Audit of the cost records of the company for the Financial Year ended 31st March, 2017, be and is hereby approved and ratified."

8. Creation of charge / mortgage etc. on Company's movable or immovable properties in terms of Section 180 (1) (a) of the Companies Act, 2013:

To consider and, if thought fit to pass with or without modifications, the following resolution as a Special Resolution:

"RESOLVED THAT Pursuant to Section 180 (1) (a) of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013, consent of the members be and is hereby accorded to the Board of Directors of the Company for mortgaging and/or charging in such form and manner and on such terms and at such time(s) as the Board of Directors may deem fit, the movable and / or immovable assets and properties of the Company, wherever situate, present and future,

whether presently belonging to the Company or not, in favour of any person including, but not limited to, financial / investment institution(s), bank(s), insurance company(ies), mutual fund(s), corporate body(ies), trustee(s) to secure the loans, borrowings, debentures, hire purchase and / or working capital facilities and other credit facilities up to a sum not exceeding Rs.200,00,00,000/- (Rupees Two Hundred Crores only).

"RESOLVED FURTHER THAT the Board of Directors or such Committee or person/(s) as may be authorized by the Board be and is hereby authorized to finalise the form, extent and manner of, and the documents and deeds, as may be applicable, for creating the appropriate mortgages and/or charges on such of the immovable and / or movable properties of the Company on such terms and conditions and at such time(s) / tranch(es) as may be decided by the Board of Directors in consultation with the lenders and for reserving the aforesaid right and for performing all such acts and things as may be necessary for giving effect to this resolution."

**For and on behalf of the Board
For Suryaamba Spinning Mills Ltd.**

**Virender Kumar Agarwal
Managing Director
(DIN : 00013314)**

**Place : Nagpur
Date : 10th June, 2016**

NOTES

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and on a poll to vote instead of himself / herself and such proxy need not be a member. The instrument appointing a proxy should however be deposited at the registered Office of the Company not less than 48 hours before the commencement of the meeting.
2. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
3. An explanatory statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto in respect of business set out under item no. 6 to 8
4. The Registers of Members and Share transfer books will remain closed from Monday, 1st August, 2016 to Friday, 5th August, 2016 (both days Inclusive) for determining the names of Members eligible for dividend on equity shares subject to the approval of Members at Annual General Meeting.
5. Pursuant to the provisions of Section 205A (5) of the Companies Act, 1956 (Section 124 and Section 125 of the Companies Act, 2013), Dividend for the financial year ended 2008-2009 and thereafter, which remain unclaimed (if any) for a period of seven years will be transferred to the Investor Education and Protection Fund established by the Central Government pursuant to Section 205 (c) of the Companies Act, 1956 (Section 124 and Section 125 of the Companies Act, 2013). Members who have not en-cashed the dividend warrant(s) so far for the aforesaid financial years are requested to make their claim to the Company at its registered office. It may also be noted that once the unclaimed dividend is transferred to the Investor Education and Protection Fund (IEPF) no claim shall lie in respect thereof with the Company.

Information in respect of the last date of claiming of unpaid dividend is given below :

Financial year	Date of Declaration	Last date of claiming unpaid dividend	Due date for transfer of unpaid dividend to IEPF
2008-2009	14-Sep-2009	13-Sep-2016	14-Oct-2016
2009-2010	23-Sep-2010	22-Sep-2017	23-Oct-2017
2010-2011	23-Sep-2011	22-Sep-2017	23-Oct-2018
2011-2012	Not Declared	NA	NA
2012-2013	11-Sep-2013	10-Sep-2020	11-Oct-2020
2013-2014	09-Aug-2014	08-Aug-2021	09-Sep-2021
2014-2015	25- Sep- 2015	24-Sep-2022	25-Oct-2022

6. Members are requested to address all their correspondence including change of address, mandates etc. to the registrars viz. M/s. Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally Phone No.: 040 - 6716 1500
 7. The final dividend on equity share, if declared at the meeting will be credited/dispatched on or before the due date i.e., September 5th, 2016, to those members whose names shall appear on the Company's Register of Members on Friday, 29th July, 2016; in respect of the dematerialized form, the dividend will be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date.
 8. The Company's Equity shares are listed at Bombay Stock Exchange Ltd., Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 and the company has paid the Listing Fees to the said Stock Exchange.
 9. Pursuant to Section 113 of the Companies Act, 2013, Corporate Members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
 10. In terms of Circulars issued by Securities and Exchange Board of India (SEBI), it is now mandatory to furnish a Copy of PAN Card to the Company or its RTA in the following cases viz. Transfer of Shares, Deletion of Name, Transmission of Shares and Transposition of Shares. Shareholders are requested to furnish copy of PAN card for all the above mentioned transactions.
 11. A Statement giving the details of the Director(s) seeking re-appointment in the accompanying notice, as required under the SEBI Listing Regulations, 2015 entered with the stock Exchange are annexed thereto.
 12. Members may note that the Notice of the 9th Annual General Meeting (AGM), the Annual report for the FY 2015-16, Copies of Audited financial statements, Director's report, and Auditor's report etc. will also be available on the website of the Company, www.suryaamba.com. Members holding shares in electronic mode are therefore requested to keep their e-mail addresses 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 mentioned in (Point No: 6 above) quoting their folio no (s).Members/Beneficial Owners are requested to
 13. Bring their Admission Slip along with a copy of Annual Report with them for the Annual General Meeting.
 14. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with Karvy Computershare Private Limited.
- Voting through electronic means:**
15. Pursuant to Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time the company is pleased to provide its members' the facility of remote e- voting (e-voting from a place other than venue of AGM) to exercise their right to vote at the 9th Annual General Meeting ("AGM") by electronic means and the business may be transacted through e-voting services provided by Karvy Computer Share Private Limited ("Karvy").

The facility for voting, either through electronic voting system or through ballot /polling paper shall also be made available at the venue of the 9th Annual General Meeting of the Company. The Members attending the meeting, who have not already cast their vote through the remote e-voting shall be able to exercise their voting rights at the meeting. The Members who have already cast their vote through remote e- voting may attend the Meeting but shall not be entitled to cast their vote again at the Annual General Meeting.

The Voting rights of the Members shall be in proportion to the paid up value of their shares in the Equity Capital of the Company as on cutoff date (i.e. Record date) 29th July, 2016.

The e-voting facility will be available at the link <http://evoting.karvy.com> during the following period:

- a. Commencement of e-voting: From 2nd August, 2016 (9.00 A.M)to 4th August, 2016 (5.00 P.M.)
- b. E-voting shall not be allowed beyond 5.00 pm on 4th August, 2016. During the e-voting period, Shareholders of the Company holding shares either in physical form or in dematerialized form, as on 29th July, 2016, may cast their vote electronically.
- c. The login ID and password for e-voting along with process, manner and instructions for e-

voting is being sent to the Members along with the physical copy of the notice.

- d. The company has appointed Ms. Aarju Agrawal, Practicing Company Secretary, Nagpur having (Membership No: ACS 42507 and C.O.P No: 15770) as Scrutinizer for conducting the e-voting process for the Annual General Meeting in a fair and transparent manner.

**For and on behalf of the Board
For Suryaamba Spinning Mills Ltd.**

**Virender Kumar Agarwal
Managing Director
(DIN : 00013314)**

**Place : Nagpur
Date : 10th June, 2016**

**Corporate Identification Number:
L18100TG2007PLC053831**

Registered Office:
1st Floor, Surya Towers,
105, Sardar Patel Raod
Secunderabad - 500003
Telephone No. : 040-27813360; 0712-2591072
Fax. No.:0712-2591410
Email Address: mail@suryaamba.com
Website: www.suryaamba.com

Explanatory Statement

(Pursuant to Section 102 of the Companies Act, 2013)

Item No.6: Appointment of Mr. Sushil Kapadia as an Independent Director

Mr. Sushil Kapadia (DIN- 07529921) was appointed as an Additional Director of the Company with effect from 28th May, 2016, pursuant to Section 161 of the Companies Act, 2013. Mr. Sushil Kapadia (DIN- 07529921) holds office as Additional Director up to the date of this Annual General Meeting and is eligible for appointment as Director. The Company has received a notice from him under Section 160 of the Companies Act 2013 along with the deposit of Rs. 1,00,000/- in respect of his candidature proposing his appointment as an Independent Director of the Company. The Company has in pursuant to the requirements of the SEBI Listing Regulations, 2015 appointed Mr. Sushil Kapadia, as non-executive Independent director.

As Mr.Sushil Kapadia, Non-Executive Director of the Company, have given a declaration to the board that he meets the criteria of independence as provided under section 149(6) of the act. In opinion of the Board, the director fulfils the conditions specified in the act and the rules framed there under for appointment as Independent Director and they are independent of management.

In compliance with the provisions of section 149 read with Schedule IV of the Act, the appointment of the director as Independent Director is now being placed before the members for their approval.

The terms and conditions of appointment of the above Director shall be open for inspection by the members at the Registered Office of the company during normal business hours on any working day, excluding Saturday.

None of the Directors of the Company other than Mr. Sushil Kapadia (DIN- 07529921) is deemed to be interested or concerned, financial or otherwise, in the resolution set out at None of the Key Managerial

Personnel are interested in the said resolution.

Item No. 7: Ratification of remuneration of Cost Auditor

The Board of Directors of the Company on the recommendation of the Audit Committee, appointed M/s. G. R. Paliwal & Co, Cost auditors, Nagpur, as Cost Auditors of the Company at a remuneration of 40,000/plus reimbursement of out of pocket expenses, for conducting audit of cost records for the FY 2015-16. In terms of the provisions of section 148 of the Companies Act, 2013 and rules made thereunder the remuneration payable to the Cost Auditor is to be ratified by the members of the Company in general meeting.

Accordingly the members are requested to ratify the above said remuneration payable to the Cost Auditor during the financial year 2015-16. The ratification by the Members to this Remuneration is being sought in this resolution. The Board recommends the resolution for approval of the Members.

None of the Directors, Key Managerial personnel, and their relatives of the company is directly / indirectly interested in the above resolution.

Item No. 8:Creation of charge / mortgage etc. on Company's movable or immovable properties in terms of Section 180 (1) (a) of the Companies Act, 2013:

As per the provisions of Section 180(1)(a) of the Companies Act, 2013, a company shall not sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the company or where the company owns more than one undertaking, of the whole or substantially the whole of any of such undertakings, unless approval of the Shareholders is obtained by way of a Special Resolution. In connection with the loan/credit facilities to be availed by the Company, as and when required, through various sources for business purposes, the Company might be required to create charges over its assets, properties and licenses by way of hypothecation,

mortgage, lien, pledge etc. in favour of its lenders (up to the limits as approved by the members under Section 180(1)(c) of the Companies Act, 2013), for the purposes of securing the loan/credit facilities extended by them to the Company. Further, upon occurrence of default under the relevant Loan/facility agreements and other documents as may be executed by the Company with the lenders, the lenders would have certain rights in respect of the Company's assets, properties and licenses including the rights of sale/disposal thereof, creation of charge/s as aforesaid and enforcement of assets by the Company's lenders upon occurrence of default would amount to a sale/disposal of the whole or substantially the whole of the undertaking of the Company, pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013.

Accordingly, the Board recommends the Special Resolution set forth in Item NO. 8 of the Notice for approval of the Members.

None of the Directors or Key Managerial Personnel of the Company including their relatives are interested or concerned in the Resolution except to

the extent of their shareholding, if any, in the Company.

**For and on behalf of the Board
For Suryaamba Spinning Mills Ltd.**

**VirenderKumarAgarwal
Managing Director
(DIN : 00013314)**

Place : Nagpur

Date : 10th June, 2016

Corporate Identification Number:

L18100TG2007PLC053831

Registered Office:

1st Floor, Surya Towers,

105, Sardar Patel Road,

Secunderabad - 500003

Telephone No. : 040-27813360; 0712-2591072

Fax. No.: 0712-2591410

Email Address: mail@suryaamba.com

Website: www.suryaamba.com

**Additional information
(As per Clause 49 of the Listing Agreement)**

As required under the Listing Agreement, the particulars of Directors who seek appointment/reappointment are given below :

1. Name	-	Mr. Sushil Kapadia (DIN: 07529921)
Age	-	49 Years
Qualification	-	B.Com
Expertise/Profile	-	Mr. Sushil Kapadia is a owner of Kapadia tust at Hyderabad. He has vast experience in the field of Hotel Management & Finance.
Other Directorships	-	Nil
Shareholding in the Company	-	Nil

2. Name	-	Mr. Mayank Agarwal (DIN: 02749089)
Age	-	26 Years
Qualification	-	Industrial Engineering [Michigan University, USA]
Expertise/Profile	-	Mr. Mayank Agarwal is having vast expertise in the Textile Industry. He has augmented rapid growth in Company's Market share by expanding the customer base in both markets i.e. domestic as well as overseas.
Other Directorships	-	Nil
Shareholding in the Company	-	2,70,997 Equity shares of the Company.

**For and behalf of the Board
For Suryaamba Spinning Mills Ltd.**

Corporate Identification Number:

L18100TG2007PLC053831

Registered Office:

1st Floor, Surya Towers, 105, Sardar Patel Raod
Secunderabad - 500003 Tel. No. : 040-27813360,
0712-2591072 Fax. No.:0712-2591410
Email Address: mail@suryaamba.com ,
Website: www.suryaamba.com

**Virender Kumar Agarwal
(Managing Director)
(DIN : 00013314)**

DIRECTORS REPORT

Dear Shareholders,

Your Directors have pleasure in presenting their 9th Annual Report on the Business and operations together with Audited Annual accounts of your Company for the financial year ended 31st March, 2016.

Financial Results:

(₹ in Lakhs)

S. No	Particulars	2015-16	2014-15
1	Sales and other Income	15242.55	14,916.48
2	Profit Before interest and Depreciation	1,324.68	1,096.33
3	Interest and Finance Charges	512.35	462.20
4	Depreciation	362.46	357.21
5	Profit after Interest and Depreciation	449.87	276.92
	Provision for Taxation :		
6	(a) Current Tax	99.53	57.44
7	(b) Deferred Tax	66.89	79.78
8	(c) MAT Credit Entitlement	(13.63)	(41.36)
9	Balance of Profit (or Loss)	297.08	181.06
	Appropriations :		
10	Transfer to General Reserve	0.50	0.50
11	Dividend on Equity Share	29.32	33.82
12	Dividend on Preference Share	61.84	61.84
13	Dividend Tax	18.56	19.61
14	Surplus carried over to Balance Sheet	432.25	245.39

Operations :

Your Company's Revenue stands at ₹ 15242.56 Lakhs (as against ₹ 14916.48 Lakhs in FY 2014-15), registering increase of 2% over the previous year. Profit before depreciation, interest and taxes stood at ₹ 1324.66 Lakhs (as against ₹ 1096.33 Lakhs in FY 2014-15). Net profit attributable to the shareholders at ₹ 297.07 Lakhs as against ₹ 181.06 Lakhs in FY 2014-15. During the year textile industry has recovered from earlier years' recessionary trend and performed well on an average.

Exports:

The export turnover including merchant export of your company during the year was ₹ 3020.09 Lakhs (as against ₹ 2060.81 Lakhs, registering a 46.55% increase over the previous year. Your Company has been exporting yarn to various countries like Brazil, USA, Singapore, Argentina, Portugal and continues to explore new markets to improve performance. This trend of increase in exports is expected to continue in the coming years.

Future Outlook :

The home-textiles and garment segments are reflecting sound growth both in the domestic and international markets due to good demand of apparels. There is a substantial scope for further growth in these segments. Your Company believes that the competition in the emerging markets will be met by developing production systems based on cost efficiency, high productivity, quality assurance, etc. The per capita polyester consumption is found to be 2.5 kg compared to the world average of 6.8 kg. Polyester consumption also witnessed a marginal increase of 2% in the overall domestic fiber consumption stats, and was seen eating into the share of other man-made fibres. Being dubbed as the poor man's cloth, this trend is expected to continue with the growing population and will exponentially increase with the increase in the GDP growth. The new majoritarian government will play an incrementally crucial role in bringing back consumer confidence in the economy. We expect this increase in consumer confidence to bring about an upsurge in domestic demand. Though, it might lead to an appreciated rupee which would hurt us in the short-term, we do expect that a stable - growth oriented government, with a stable currency are going to have a positive impact on the industry as a whole. We expect the new government bringing about favorable reforms for the textile sectors. We aim to capitalize on these future reforms by having a strong liquidity position, so we can capitalize on each and every opportunity the market generates by drastically expanding and diversifying our product base as to cater a larger audience. We aim to use retained earnings, preferred beliefs that the competition in the emerging markets will be met by improving our systematic efficiency, which will lead to a better cost rationalization, higher productivity, quality assurance and product differentiation.

The economy is in the stage of prosperity and the Company expects good demand for its products in domestic as well as international markets. Major markets for Indian Textile and Clothing (T & C) export are the USA and EU and they have recovered

from the recession of the past years. The domestic market is also on the path of healthy growth because of the fact that few manufacturing facilities operating abroad are slowing down due to recession.

Expansion Plan & capital expenditure

The company has already installed value addition equipments, aims to fulfill the demand of export market and enhance profitability, with a capital expenditure of 10 cr. It plans to fund this capex by using an eclectic mix of promoter's equity, retained earnings and debt to ensure sustainable growth for the company in the future.

2. EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS

There are no significant material changes and commitments affecting financial position of the company between 31st March, 2016 and the date of Board's Report.

3. CHANGE IN THE NATURE OF BUSINESS, IF ANY

The company has not changed the nature of business during the financial year under review.

4. DIVIDEND

Your Directors have recommended payment of dividend on 8% cumulative Redeemable preference shares as per the terms and conditions of the issue. The dividend will absorb a sum of ₹ 61.84 lakhs.

Your Directors are pleased to recommend a dividend of 10% on the Equity Share Capital of the Company for the financial year ended 31st March, 2016. The dividend will absorb a sum of ₹ 29, 32 lakhs . The Corporate dividend tax levied will be ₹ 18.56 lakhs.

5. TRANSFER TO RESERVES

Your Company proposes to transfer ₹ 0.50 lakhs to General Reserve account of the company for the year.



6. BOARD MEETINGS

Eight (08) Board Meetings were held during the year viz. 08-May-2015, 28-May-2015, 31-July-2015, 13-Aug-2015, 18-Aug-2015, 28-Aug-2015, 02-Jan-2016, 13-Jan-2016. The attendance of Directors for above mentioned meetings is disclosed in Corporate Governance Report.

7. DIRECTORS AND KEY MANAGERIAL PERSONS

Retirement By Rotation

Pursuant to provisions of the Companies Act, 2013, Mr. Mayank Agarwal (DIN: 02749089), Whole Time Director will retire at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The Board recommends his re-appointment.

Appointment

The Boards of Directors has appointed Mr. Sushil Kapadia as Additional director of the Company at their meeting held on 28th May, 2016.

Re- appointment

During the year under review, the members in the 8th Annual General Meeting held on 25th September, 2015 approved the appointment of Mr. Manish Kumar Gupta (DIN: 07096129), Non-Executive Director as Independent Director as per the provisions of Section 149 sub-section (10) who are not liable to retire by rotation with effect from 25th September, 2015 to 24th September, 2020.

Resignation

During the year under review Mr. Pundlik Sampatrao Thakare has been resigned from his directorship of the Company with effect from 5th May, 2016 due to sudden death and your company has complied all necessary compliances in this regard. Mr. Kailash Purohit was appointed as the Company Secretary and Compliance Officer of the Company with effect from 2nd January, 2016 and resigned from the post with effect from 12th May, 2016.

8. DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS

The Company has received declarations from all the Independent Directors of the Company as per the provisions of Section 149 subsection (7) of the Companies Act, 2013, confirming that they meet the criteria of independence as prescribed both under Section 149 sub-section (6) of the Companies Act, 2013 read with the Rule 4 of Companies (Appointment and Qualification of Directors) Rule, 2014 and the SEBI (Listing Obligations and Disclosures Requirement) Regulations, 2015.

9. RELATED PARTY TRANSACTIONS

During the year under review, the Company has not entered into any related party transactions pursuant to section 188 of the Company's Act, 2013. Further there are no materially significant related party transactions made by the Company during the Financial Year 2015-16 which may have the potential conflict with the interest of the company at large. Accordingly, there are no transactions that are required to be reported in Form AOC-2 and as such doesn't form part of the Report. The Company has adopted a Related Party Transactions policy and the policy as approved by the board is uploaded on the Company's website www.suryaamba.com

10. CHANGES IN SHARE CAPITAL

The Paid up Share Capital as at March 31, 2016 stood at ₹ 10,66,19,440/- During the year under review, your company has not issued shares with differential voting rights nor has granted any stock options or sweat Equity Share.

11. COMPOSITION OF COMMITTEES

Audit Committee

The Audit committee comprises Mr. Amit Goela (Chairman), Mrs. Seema Rani Agarwal, Mr. Sushil Kapadia as other members. All the recommendations made by the Audit Committee were accepted by the Board.



Stakeholder Relationship Committee

The Stakeholders relationship committee comprises Mr. Amit Goela (Chairman), Mrs. Seema Rani Agarwal, Mr. Sushil Kapadia as other members.

Nomination & remuneration Committee

The Nomination & remuneration Committee comprises Mr. Amit Goela (Chairman), Mr. Manish Kumar Gupta, Mr. Sushil Kapadia as other members.

The Company has a Nomination and Remuneration Committee (NRC) and the details of the Committee and the terms of reference of the NRC Charter are set out in the Corporate Governance Report, which is part of the Board's Report.

The Company's Policy for selection and appointment of Directors and their remuneration is based on its NRC policy which, inter alia, deals with the manner of selection of the Board of Directors and such other matters as provided under section 178(3) of the Act and SEBI Listing Regulations. This Policy is accordingly derived from the said Charter and the scope of NRC is set out in the Corporate Governance Report.

The Company has a Nomination and Remuneration Committee (NRC) and the details of the Committee The Company's shareholders may refer the Company's website for the detailed Nomination & Remuneration Policy of the Company on the appointment and remuneration of Directors including criteria for determining qualifications, positive attributes, independence of a Director; and other matters provided under sub-section (3) of section 178.

Corporate Social Responsibility (CSR) Committee

The company has not crossed the threshold limit as prescribed under section 135 of the Companies Act, 2013, hence has not been

constituted the Corporate Social Responsibility Committee for the year.

12. VIGIL MECHANISM

In compliance with requirements under Section 177 of the Companies Act, 2013, your Company being a Listed Company has established a Vigil (Whistle Blower) Mechanism and formulated a Policy in order to provide a framework for responsible and secure whistle blowing/vigil mechanism.

The Vigil (Whistle Blower) Mechanism aims to provide a channel to the Directors and employees to report genuine concerns about unethical behaviour, actual or suspected fraud or violation of the Codes of Conduct policy.

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations and in order to maintain these standards, the Company encourages its employees who have genuine concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment.

The mechanism provides for adequate safeguards against victimization of Directors and employees to avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases. This neither releases employees from their duty of confidentiality in the course of their work nor can it be used as a route for raising malicious or unfounded allegations about a personal situation.

The Vigil Mechanism of the Company, which also incorporates a whistle blower policy in terms of the Listing Agreement, includes an Ethics & Compliance Task Force comprising senior executives of the Company. Protected disclosures can be made by a whistle blower through an e-mail, or dedicated telephone line or a letter to the Task Force or to the Chairman of the Audit Committee.



13. DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 134 (5) of the Companies Act, 2013, the Directors confirm that:

- a. in the preparation of the annual accounts for the year ended 31st March, 2016 the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. the Directors have 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 31st March, 2016 and of the loss of the company for that period.
- c. the Directors have 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 have prepared the annual accounts for the period ended 31st March, 2016 on a going concern basis.
- e. the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

14. SUBSIDIARIES , JOINT VENTURES AND ASSOCIATE COMPANIES

Your Company has no subsidiaries, joint ventures and associate companies during the year.

15. EXTRACT OF ANNUAL RETURN

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in Form MGT-9 as a part of this Annual Report is in ANNEXURE I.

16. PARTICULARS OF EMPLOYEES

The details pursuant to Section 197 (12) of the Companies Act, 2013 read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 enclosed as Annexure – II.

Further during the year under review, none of the employees are receiving remuneration as set out in Rule 5 (2) of the Companies (Appointment And Remuneration Of Managerial Personnel) Rules, 2014.

17. AUDITORS

Statutory Auditor

M/s S. Venkatadri & Co., Chartered Accountants, Hyderabad Statutory Auditors of the Company, hold office till the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. They have confirmed their eligibility to the effect that their reappointment, if made, would be within the prescribed limits under Section 139 of the Companies Act and that they are not disqualified for reappointment.

Auditor's Report

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.

Cost Auditor

The Board of Directors have appointed M/s. G. R. Paliwal & Co., Cost Auditors, Nagpur for conducting the cost audit of the Company for the financial year 2016-17, in compliance to the provisions of Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit Rules) 2014, on the recommendations made by the Audit Committee, and has recommended his remuneration for the ratification of Members at the ensuing annual general meeting.



Secretarial Auditor

The Board has appointed Ms. Aarju Agrawal, Practicing Company Secretary, to conduct Secretarial Audit of the Company for the financial year ended 31st March, 2016 in compliance with the provisions of Section 204 of the Companies Act, 2013.

The report of the Secretarial Audit Report in Form MR-3 is enclosed as Annexure III to this Report.

Replies to the observations made in the Secretarial Audit Report

The Board of Directors of the Company have appointed Ms. Aarju Agrawal, Practicing Company Secretary to conduct the Secretarial Audit for the financial year ended March 31, 2016 is provided in the Annual Report.

The Secretarial Audit Report confirms that the company has complied with the applicable provision of the Companies Act 2013, The Securities Contracts (Regulation)Act 1956, Depositories Act 1996, The Foreign Exchange Management Act 1999, to the extent applicable to overseas Direct Investment (ODI) Foreign Direct Investment & External Commercial Borrowing all the regulations and guidelines of SEBI (SAST) Regulation 2011, The SEBI (Prohibition of Insider Trading) Regulation 1992, The SEBI (Issue of Capital and Disclosure requirement regulation 2009, Listing Agreement with the stock Exchange (Effective upto 30th November, 2015) and SEBI Listing Regulations, 2015 (Effective from 1st December, 2015) & the Memorandum and Articles of the Company.

The following explanation of the secretarial audit report is as under:

In view of the Secretarial Audit Report, the Company has adequate systems in place in the company for the Compliance of other laws; as regards the non-compliances mentioned in the Secretarial Audit Report in respect of the following:

- a. **Disclosure regarding unpaid and unclaimed dividend required pursuant to provision of Section 205A and 205C of the Companies Act, 1956 (Section 124 and 125 of the Companies Act, 2013) and Rule 3 of IEPF Rules, 2012**

As the Form INV-5 is not available in the MCA Portal, the Company is unable to file the form, however the Company has already taken the steps for gathering/reconciling/preparing the data for the unpaid and unclaimed dividend. As soon as the Form gets available in the MCA portal the Company will promptly file the form in order to complete the compliance.

- b. **The Company has duly filed forms with Ministry of Corporate Affairs (MCA) within the stipulated time allowed under the Companies Act, 2013 except some forms required pursuant to provisions of Companies Act, 2013 and rules made there under.**

The Company will take due care that these timelines allowed to file the E-forms to ROC under the Companies Act, 2013 should be complied with and the company assure that delay in filing will not arise in future.

- c. **The Company has received notice from SEBI in respect of non-redressal of Investor Grievances posted on SEBI Complaints Redress System ("SCORES") and the Company is duly endeavoring to resolve and to take necessary steps in this regard.**

The Company has duly replied to the Notice received from SEBI within the stipulated timeline and the Company has already taken necessary steps to redress the grievances of investors. The Company is accessing the "SCORES" on regular basis so that no Investor grievances remain unsolved and endeavouring to dispose off the complaints on priority basis.



18. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO

Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo required under the Rule 8 of the Companies (Accounts) Rules, 2014 is annexed and marked ANNEXURE IV and forms part of this Report.

19. ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS:

The Company has effective 'internal financial controls' that ensure an orderly and efficient conduct of its business, including adherence to Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records, and timely preparation of reliable financial information.

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

No significant or material orders were passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future during the year under review.

21. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There were no material changes and commitments in the business operations of the Company from the Financial Year ended 31st March, 2016 to the date of signing of the Director's Report

22. PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN AND SECURITIES PROVIDED

Your Company has not given any loan or guarantee to any person or body corporate nor invested in any body corporate during the Financial Year under review pursuant to Section 186 of Companies Act, 2013

23. RISK MANAGEMENT

The Company has policy for identifying risk and established controls to effectively manage the risk. Further the company has laid down various steps to mitigate the identified risk.

24. CORPORATE SOCIAL RESPONSIBILITY

As an evolved and concerned corporate citizen, your company believes that corporate social responsibility (CSR) initiatives are a way to pay back societal debts and obligations. We do not see CSR as charity; nor even as a responsibility; but as an opportunity to change and help the society. Our CSR activities are conceived to bridge gaps in society and help transform communities around our workplace

At Suryaamba, CSR activities are undertaken in various manners such as providing donations for social and cultural activities, conducting eye check-up camp, providing cold drinking water during summer season for travelers near to the factory premises.

25. FORMAL ANNUAL EVALUATION

Your Company has devised a Policy selection of Directors, determining independence of Directors and for performance evaluation of Independent Directors, Board, Committees and other individual Directors which include criteria for performance evaluation of the non executive directors and executive directors.

26. DECLARATION WITH THE COMPLIANCE WITH THE CODE OF CONDUCT BY MEMBERS OF THE



BOARD AND SENIOR MANAGEMENT PERSONNEL

The Company has complied with the requirements about code of conduct for Board members and Sr. Management Personnel. The said policy is available on the website of the Company.

27. MECHANISM FOR BOARD EVALUATION

As per the requirements of SEBI (LODR) Regulations, 2015 states that the board shall monitor and review the board evaluation framework. The Companies Act, 2013 states that a formal annual evaluation needs to be made by the Board of its own performance and that of its committees and individual directors. The Schedule IV of the Companies act, 2013 states that the performance evaluation of the independent directors shall be done by the entire Board of Directors, excluding the Director being evaluated.

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 the performance of Non Independent Directors, Chairman and the quality, quantity and time lines of flow of information between the Company management and Board.

28. CORPORATE GOVERNANCE

A detailed Report on Corporate Governance in Annexure V, Management Discussion and Analysis Report and the Certificate from the Auditors of your Company regarding compliance of conditions of Corporate Governance as stipulated under Regulation 34 of the SEBI (LODR) Regulations, 2015, forms part of this Report.

29. DISCLOSURE PERTAINING TO SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

The Company is an equal opportunity employer and believes in providing opportunity and key positions to women professionals. It has been the endeavor of the Company to encourage women professionals by creating proper policies to tackle issues relating to safe and proper working conditions for them and create and maintain a healthy and conducive work environment, free of discrimination. This includes discrimination on any basis, including gender and any form of sexual harassment. We feel proud to intimate that there were no complaints reported under the provisions Prevention of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

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:

1. Details relating to deposits covered under Chapter V of the Act.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except ESOS referred to in this Report
4. Neither the Managing Director nor the Whole-time Directors of the Company receive any



remuneration or commission from any of its subsidiaries as the company has no subsidiaries.

5. 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.

30. SECRETARIAL STANDARDS

Your company has complied with the Secretarial Standards issued by the Institute of Company Secretaries of India.

ACKNOWLEDGMENT

The Board of Directors are pleased to place on record their appreciation of the co-operation and support extended by State Bank of India, Axis Bank Ltd., various State and Central Government agencies, Stock Exchange and other Agencies. The Board would like to thank the Company's shareholders, Customers, Suppliers for the support and the confidence, which they have reposed in its management. The Board also wishes to place on record its appreciation of the valuable services rendered by all the employees of the company.

**For and on behalf of the Board of Directors
For Suryaamba Spinning Mills Ltd**

**Virender Kumar Agarwal
(Managing Director)
(DIN : 00013314)**

**Seema Rani Agarwal
(Jt. Managing Director)
(DIN : 0143026)**

**Place : Nagpur
Date : 10-June-2016**

ANNEXURE INDEX

Annexure Number	Details of annexure
I	Annual Return Extracts in MGT 9
II	Particulars of Employees
III	Secretarial Audit Report
IV	Details of Conversation of energy
V	Corporate Governance Report

ANNEXURE - I

FORM NO. MGT - 9
EXTRACT OF ANNUAL RETURN
as on the financial year ended 31-March-2016

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

I. REGISTRATION AND OTHER DETAILS :

i)	CIN	L18100TG2007PLC053831
ii)	Registration Date	05-May-2007
iii)	Name of the Company	Suryaamba Spinning Mills Limited
iv)	Category / Sub-Category of the Company	Company Limited by shares/ Indian Non-Government Company
v)	Address of the Registered Office and contact details	1ST Floor, Surya towers, 105, SP Road, Secunderabad, Telangana Tel. No. 040-27819960, Fax: 0712-2591410 E-mail: mail@suryaamba.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY :

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

Sl No	Name and Description of main products/ services	NIC Code of the Product / Service	% to total turnover of the company
1.	Polyester Yarn & Polyester / Viscose Blended Yarn	13114	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :

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

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
i) Category-wise shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the Year
	Demat	Physical	Total	% of Total Shares of Co	Demat	Physical	Total	% of Total Shares of Co	
A. Promoters									
1) Indian									
a) Individual/HUF	2122,036	14,740	2136,776	72.88	2122,036	14,740	2136,776	72.88	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	-	-	-	-	-	-	-	-	-
e) Banks/ FI	-	-	-	-	-	-	-	-	-
f) Any Other....	-	-	-	-	-	-	-	-	-
Sub-Total (A) (1):	2122036	14,740	2136,776	72.88	2122,036	14,740	2136,776	72.88	-
(2) Foreign									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks/ FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-Total (A) (2):	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoters(A)= (A) (1)+ (A) (2)	2122,036	14,740	2136,776	72.88	2122,036	14,740	2136,776	72.88	-
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	64	-	64	0.00	64	-	64	0.00	-
b) Banks/ FI	210	660	870	0.03	210	660	870	0.03	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Co.	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others(specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B) (1):	274	660	934	0.03	274	660	934	0.03	-

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the Year
	Demat	Physical	Total	% of Total Shares of Co	Demat	Physical	Total	% of Total Shares of Co	
2) Non-Institutions									
a) Bodies Corporate									
i) Indian	25,827	1,333	27,160	0.93	26,043	1,333	27,376	0.93	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual Share holders Holding nominal share capital upto ₹1 lakh	530,545	65,669	596,214	20.34	568,035	50,3902	64,133	19.37	(0.97)
ii) Individual Share holders holding nominal share capital in excess of ₹1 lakh	159,535	-	159,535	5.44	184865	-	184865	6.31	(0.87)
c) Others (specify)									
i) NRI	11,135	-	11,135	0.38	13,943	-	13,943	0.48	(0.10)
ii) Clearing members	190	-	190	0.01	15	-	15	0.00	0.01
Sub-Total (B) (2):	727,232	67,002	794,234	27.09	728,768	65,466	794,234	27.09	-
Total Public Shareholding(B) = (B)(1)+ (B)(2)	727,506	67,662	795,168	27.12	729,042	66,126	795,168	27.12	-
C. Shares held by Custodian for GD ₹ & AD ₹	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	2,849,542	82,402	2,931,944	100.00	2,851,078	80,866	2,931,944	100.00	-

ii) Shareholding of promoters

Category of shareholders	Shareholding at the beginning of the year			Share holding at the end of the year			% change during the year
	No. of Shares	% of total shares of the Co	% of Shares Pledged/ encumbered to total share	No. of Shares	% of total shares of the Co	% of Shares Pledged/ encumbered to total share	
Virender Kumar Agarwal	1,206,191	41.14	16.98	1,206,191	41.14	16.98	-
Seema Rani Agarwal	642,250	21.91	-	642,250	21.91	-	-
Mayank Agarwal	270,997	9.24	-	270,997	9.24	-	-
Virender Kumar Agarwal (HUF)	14,640	0.50	-	14,640	0.50	-	-
Vithaldas Agarwal	2,498	0.09	-	2,498	0.09	-	-
Mahender Kumar Agarwal	100	0.00	-	100	0.00	-	-
Ravinder Kumar Agarwal	100	0.00	-	100	0.00	-	-
TOTAL	2,136,776	72.88	16.98	2,136,776	72.88	16.98	-

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

Promoter's Name	No. of Shares held at the beginning of the year		No. of Shares held at the end of the year	
	No. of Shares	% of Total Shares	No. of Shares	% of Total Shares
1) Virender Kumar Agarwal	1,206,191	41.14	1,206,191	41.14
2) Seema Rani Agarwal	642,250	21.91	642,250	21.91
3) Mayank Agarwal	270,997	9.24	270,997	9.24
4) Virender Kumar Agarwal [HUF]	14,640	0.50	14,640	0.50
5) Vithaldas Agarwal	2,498	0.09	2,498	0.09
6) Mahender Kumar Agarwal	100	0.00	100	0.00
7) Ravinder Kumar Agarwal	100	0.00	100	0.00
Total	2,136,776	72.88	2,136,776	72.88

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GD ₹ and AD ₹)

For each of the Top 10 Shareholders	Folio/ Clint ID	No. of Shares held at the beginning of the year		No. of Shares held at the end of the year	
		No. of Shares	% of total Shares	No. of Shares	% of total Shares
1) Sathyas	20493049	34,139	1.16	41,470	1.41
2) Vinay Kumar	10077075	30,728	1.05	48,902	1.67
3) Anil Kumar	12619244	21,000	0.72	21,000	0.72
4) Vinodchandra M. Parekh	10011221	17,396	0.59	17,396	0.59
5) Shaunak Jagdish Shah	13085762	16,428	0.56	16,428	0.56
6) Jagdish Amritlal Shah	13130985	14,020	0.48	14,020	0.48
7) Bhavsar Usha	1301670000250810	13,431	0.46	13,431	0.46
8) Anuj Shantilal Badjate	1207780000000010	12,393	0.42	2,805	0.10
9) Kailashben A K Patel	32499583	-	-	12,218	0.42
10) G M Surana	20449402	10,000	0.34	10,000	0.34
11) Vidhi Gupta*	1203230000320260	10,000	0.34	-	-

* Vidhi Gupta was one of the top ten shareholder as on 31March, 2015 however she doesn't hold the top ten shareholders position as on 31March, 2016.

v) Shareholding of Directors and Key Managerial Personnel

Promoter's Name	No. of Shares held at the Beginning of the year		No. of Shares held at the end of the year	
	No. of Shares	% of Total Shares	No. of Shares	% of Total Shares
1) Virender Kumar Agarwal [Managing Director]	1,206,191	41.14	1,206,191	41.14
2) Seema Rani Agarwal [Joint Managing Director]	642,250	21.91	642,250	21.91
3) Mayank Agarwal [Whole Time Director]	270,997	9.24	270,997	9.24
4) Amit Goela [Independent Director]	-	-	-	-
5) Pudalik Sampatrao Thakare [Independent Director] Resigned from 5/05/16	-	-	-	-
6) Manish Kumar Gupta	-	-	-	-
7) Sushil Kapadia (Appointed with effect from 28/05/16)	-	-	-	-
8) Gajanan Chhawsaria[CFO]	-	-	-	-
Total	2,119,438	72.29	2,119,438	72.29

V. INDEBTEDNESS

(₹ in Lakhs)

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

	Secured Loans Excluding deposits	Unsecured Loans	Deposit	Total Indebtedness
At the beginning of the financial Year				
i) Principal Amount	2,738.93	432.06	-	3,170.99
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
TOTAL(i+ii+iii)	2,738.93	432.06	-	3,170.99
Change during the financial Year				
* Addition	453.69	338.69	-	792.38
*Reduction	-	94.92	-	94.92
Net Change	453.69	243.77	-	697.46
At the end of the financial Year				
i) Principal Amount	3,192.62	675.83	-	3,868.45
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
TOTAL (i+ii+iii)	3,192.62	675.83	-	3,868.45

*As per Section II Part II of Schedule V

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director, Whole-time Directors and / or Manager:

	Gross Salary	Salary [u/s 17 (1) Income Tax Act 1961]	Perquisite [u/s 17(2) Income Tax Act 1961]	Profit in lieu of Salary [u/s 17(3)]	Stock Option	Sweat Equity	Commission	as & of	Contribution to Provident fund
V Kumar Agrawal Managing Director	30.01	16.80	11.20	-	-	-	-	-	2.01
Seema Rani Agrawal Joint Managing Director	24.29	14.40	8.16	-	-	-	-	-	1.73
Mayank Agrawal Executive Director	19.23	11.40	6.46	-	-	-	-	-	1.37
Total	73.53	42.60	25.82	-	-	-	-	-	5.11

Ceiling as per the Act 252.00

B. Remuneration to Other Director:

(₹ in Lakhs)

Name of the Director	Sitting Fees Paid for Board/Committee Meeting	Commission Others, (please specify)
1) Mr. Pundlik Samptrao Thakre	0.28	Nil
2) Mr. Amit Goela	0.28	Nil
3) Mr. Manish Kumar Gupta	0.30	Nil
Total	0.86	Nil

Overall Ceiling as per the Act: ₹ 26 Lakhs (₹ 1 Lakhs Per meeting of Board or Committee.)

* The above Sitting Fees includes conveyance & out of pocket expenses.

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD :

	Gross Salary	Salary [u/s 17 (1) Income Tax Act 1961]	Perquisite [u/s 17(2) Income Tax Act 1961]	Profit in lieu of Salary [u/s 17(3)]	Stock Option	Sweat Equity	Commission	as & of	Contribution to Provident fund
Gajanan Chhawsaria [Chief Finan. Officer] 9.07	9.07	7.05	1.17	-	-	-	-	-	0.85
Mr. Kailash P. Purohit*	0.70	0.55	0.08	-	-	-	-	-	0.07

*Mr. Kailash Purohit was appointed as the Company Secretary and Compliance Officer of the Company with effect from 2nd January, 2016 and resigned from the post with effect from 12th May, 2016

VII. PENALTIES / PUNISHMENT / COMMUNING OF OFFENCES

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

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

For and on behalf of the Board
For Suryaamba Spinning Mills Ltd

Place : Nagpur
Date : 10 June 2016

Virender Kumar Agarwal
(Managing Director)
(DIN : 00013314)

Seema Rani Agarwal
(Jt. Managing Director)
(DIN : 0143026)

PARTICULARS OF EMPLOYEES
Remuneration Paid to Managing Director, Joint Managing Director and Whole Time Director (MD, JMD, WTD)

Name of the Director And Designation	Remuneration in the F Y.			*Ratio of Remuneration to MRE	Ratio of Remuneration	
	2015-16	2014-15	% of increase from Pre Year		Revenue	Net Profit
	₹ in Lakhs	₹ in Lakh				
Mr. Virender Kumar Agarwal [Managing Director]	30.01	30.01	0.00%	41.89 times	0.0020 times	0.10 times
Smt. Seema Rani Agarwal [Joint Managing Director]	24.29	24.29	0.00%	33.91 times	0.0016 times	0.12 time
Mr. Mayank Agarwal [Whole Time Director]	19.23	19.23	0.00%	26.85 times	0.0013 times	0.15 times

***Median Remuneration Employee**
Remuneration to other Key Managerial Personnel (KMP)

Name of the Director And Designation	Remuneration in the F Y.			Ratio of Remuneration to MRE	**Ratio of Remuneration	
	2015-16	2014-15	% of increase from Pre Year		Revenue	Net Profit
	₹ in Lakhs	₹ in Lakh				
Mr. Gajanan Chhawsaria* [Chief Financial Officer]	9.07	5.71	11.00%	12.66 times	0.00039 times	0.036 times
Mr. Kailash P. Purohit*	0.70	-	0.00%	00.98 times	0.0000 times	0.000 times

** Based on annualized salary and rounded off to two decimals

*** Mr. Kailash Purohit was appointed on 2nd January, 2016 and resigned on 12th May, 2016

1. The Median Remuneration of Employees (MRE) excluding Whole-time Directors (WTDs) was ₹ 71,634/-
2. In the financial year, there was a increase of 5.05% in the median remuneration employees.
3. There are 1126 permanent Employees on the Rolls of the Company as on 31st March, 2016.
4. Variations in the market capitalization of the Company:
 - a. The Market Capitalization as on 31st March, 2016 is ₹ 12.34 Crores and on 31st March, 2015 was ₹ 11.14 Crores.

- b. Price earnings ratio of the Company as on 31st March, 2016 is 5.54 as against 10.35 as at 31st March 2015
- c. Percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer- The closing price of the company's equity shares on BSE as on 31st March, 2016 is ₹ 42.10/- representing a 321% of increase over the IPO price of ₹ 10/- per share.
5. The key parameters for the variable component of remuneration availed by the directors are considered by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee.
6. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year – N.A. and
7. It is hereby confirmed that the remuneration is as per the remuneration policy of the Company.

**For and on behalf of the Board of Directors
For Suryaamba Spinning Mills Ltd**

**Place : Nagpur
Date : 10-June-2016**

**Virender Kumar Agarwal
(Managing Director)
(DIN : 00013314)**

**Seema Rani Agarwal
(Jt. Managing Director)
(DIN : 0143026)**

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31-03-2016
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
SURYAAMBA SPINNING MILLS LIMITED
CIN: - L19100TG2007PLC053831
Surya Towers, 1st Floor,
105, Sardar Patel Road,
Secunderabad-500 003 (T.G.), India

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Suryaamba Spinning Mills Limited bearing CIN: - L19100TG2007PLC053831 (Hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit and as per the explanations given to me and the representation made by the Management, we hereby report that in our opinion, the Company has, during the Audit Period covering the Financial Year ended on 31st March, 2016 ('Audit Period') generally complied with the statutory provisions and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on 31st March, 2016 according to the applicable provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') except to the extent of applicable regulations and guidelines during the audit period:-
 - 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;
- d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- 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;
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

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

- i) Secretarial Standards issued by Institute of Company Secretaries of India (ICSI);
- ii) The Listing Agreements entered into by the Company with BSE Limited (BSE) for the period from 1st April, 2015 to 30th November, 2015;
- iii) The SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 for the period from 1st December, 2015 to 31st March, 2016;

We further report that with respect to the compliance of the below mentioned laws to the extent of its applicability, we have relied on the compliance system prevailing in the Company and on the basis of representation received from its concerned department:

The Employee's Provident Fund & Miscellaneous Provision Act, 1952

- ☆ The Maternity Benefit Act, 1961
- ☆ The payment of Gratuity Act, 1972
- ☆ The Workmen's Compensation Act, 1923
- ☆ The Equal Remuneration Act, 1976
- ☆ The Minimum Wages Act, 1948
- ☆ The Payment of Bonus Act, 1965
- ☆ The Payment of Wages Act, 1936
- ☆ The Factories Act, 1948
- ☆ The Apprentices Act, 1961
- ☆ The Contract Labour (Regulation & Abolition) Act, 1970
- ☆ The Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959

- ☆ The Industrial Dispute Act, 1947
- ☆ The Industrial Employment (Standing Orders) Act, 1946
- ☆ The Water (Prevention and Control of pollution) Act, 1974
- ☆ Maharashtra Shops and Establishments Act, 1948
- ☆ Maharashtra State Tax on Professions, Trade, Callings and Employments Act, 1975
- ☆ Andhra Pradesh Shops and Establishments Act, 1988
- ☆ Information Technology Act, 2000
- ☆ The Public Liability Insurance Act, 1991
- ☆ Foreign Exchange Management Act, 1999 and its regulations
- ☆ Maharashtra Labour Welfare Act, 1948
- ☆ Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013
- ☆ The Sales Promotion Employees (Condition of Service) Act, 1976
- ☆ The National and Festival Holidays Act 1963 (Relevant State Acts)

During the period under review and as per the representations and clarifications made by the management, the Company has generally complied with the provisions of the applicable Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above except to the extent as mentioned below:

- a. The Company has received notice from Central Government (Registrar of Companies, Hyderabad) asking for disclosure regarding unpaid and unclaimed dividend required pursuant to provision of Section 205A and 205C of the Companies Act, 1956 (Section 124 and 125 of the Companies Act, 2013) and Rule 3 of IEPF Rules, 2012.
- b. The Company has duly filed forms with Ministry of Corporate Affairs (MCA) within the stipulated time allowed under the Companies Act, 2013 except some forms required pursuant to provisions of Companies Act, 2013 and rules made thereunder.
- c. The Company has received notice from SEBI in respect of non-redressal of Investor Grievances posted on SEBI Complaints Redress System ("SCORES") and the Company is duly endeavouring to resolve and to take necessary steps in this regard.

We further report that:

- ☆ The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Companies Act, 2013.
- ☆ Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent well in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

- ☆ Majority decision is carried through while the dissenting members' views (if any) are captured and recorded as part of the minutes.
- ☆ The Company has obtained all necessary approvals under the various provisions of the Act; and

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

Place : Nagpur
Date : June 8th, 2016

Aarju Agrawal & Associates
Practicing Company Secretary
Membership No: A42507
C. P. No: 15770

This Report is to be read with our letter of even date which is annexed as Annexure A and Forms an integral part of this report.

Annexure – A

To,
The Members,
SURYAAMBA SPINNING MILLS LIMITED
CIN: - L19100TG2007PLC053831
Surya Towers, 1st Floor, 105, Sardar Patel Road,
Secunderabad-500 003 (T.G.), India

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

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

Place : Nagpur
Date : 8th June, 2016

Aarju Agrawal & Associates
Practicing Company Secretary

Membership No: A42507
C. P. No: 15770

ANNEXURE IV
CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO
A. Conservation of Energy
i) Steps taken for conservation of energy

The Company has taken continuous efforts to reduce consumption of energy and has taken steps of continuous monitoring for replacement of conventional electrical motors etc, with improved technology. Higher productivity achieved by optimizing machinery efficiency and also the company opting for maximum benefits offered by electricity supplier as incentives.

Your Company has a dedicated focus on energy management and closely monitor energy consumption pattern across all manufacturing sites. Periodic energy audits are conducted to improve energy performance.

ii) Steps taken by the Company for utilising alternate sources of energy

1. The company has given priority for energy conservation and it has put continues efforts to reduce consumption of energy and has taken steps of continuous monitoring for replacement of conventional electrical motors etc. with improved technology. Higher productivity achieved by optimizing machinery efficiency and also the Company opting for maximum benefits offered by electricity supplier as incentives.
2. The above measures have reflected in reduction of energy consumption during the year.
3. Further in our proposed expansion while selection of Machinery and utilities we are taking maximum care in modern technology and reduction of energy consumption.

iii) The capital investment on energy conservation equipment.

(₹ in Lakhs)

S.No	Particulars	2015-16	2014-15
A)	Power and Fuel Consumption		
1)	Electricity		
	a) Purchased Unit :	22570316	21339150
	Total Amount	1,474.93	1,322.48
	Average Rate:	6.53	6.20
	b) Own Generation:		
	Through Diesel Generators	Nil	Nil
	Units(In Lakhs of KWH)	Nil	Nil
	Units per liter of diesel oil	Nil	Nil
2)	Coal (In Lakhs)	Not Used	Not Used
3)	Furnace Oil	Not Used	Not Used
4)	Others	Not Used	Not Used
B)	Consumption per Unit of Production		
	Electricity (Units/kgof yarn)	2.01	2.09
	Coal	Not Used	Not Used
	Furnace Oil	Not Used	Not Used
	Others	Not Used	Not Used



B. Technology Absorption

i) The efforts made towards technology absorption

The company has adapted indigenous technology and made innovation on the same. We have taken care of adoption of modern technology such as Auto waste collection, Auto doffing for our proposed expansion unit.

ii) The benefits derived like product improvement, cost reduction, product development or import substitution

Product in yield improvement, increase and quality has resulted from these efforts.

iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)

a. the detail of technology imported;

No technology has been imported

b. the year of import whether the technology been fully absorbed

Not Applicable

c. if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and

Not Applicable

iv) The expenditure incurred on Research and Development.

In order to meet the changed competitive conditions due to globalization and liberalization of the economy there is an urgent need for upgrading the technology levels currently prevailing in the industry. All these call for the preparation and implementation of proper action plan in which all the stakeholders i.e., the government, the weavers, and the other interest groups get fully involved.

In an effort to adopt cutting edges technology, your company gives particular importance in the research, aiming at the better quality and increased market value.

C. Specific Areas in which R & D carried out by company

The company is having good R&D introduction and development of value added products.

a. Benefits derived as a result of the above R & D

High quality products have been developed, due to which the demand for the products of the company has considerably gone up.

b. Future Plans of Action

To develop more value added products and improve further quality of the products.

c. Expenditure on R&D

Expenditure on in-house R&D has been shown under respective heads of expenditure in the Profit & Loss Accounts as no separate account is maintained.

C) Foreign exchange Earnings and Outgo-

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows

Activities relating to exports, initiatives taken to increase exports, development of new exports markets for production and services and export plans

Export explorations activities mainly include development of export to new markets and increasing exports to traditional markets

Total foreign exchange used & earned

S.No	Particulars	2015-16	2014-15
(i)	Foreign Exchange earned	Nil	Nil
	FOB value of exports	2037.20	27.55
(ii)	Foreign Exchange used	Nil	Nil
	Import of capital goods	Nil	Nil
	Foreign travel	Nil	Nil
	Commission on export sales	Nil	Nil
	Raw Materials	Nil	Nil
	Spares	Nil	Nil

For and on behalf of the Board of Directors
For Suryaamba Spinning Mills Ltd

Place : Nagpur
Date : 10 June, 2016

Virender Kumar Agarwal
(Managing Director)
(DIN : 00013314)

Seema Rani Agarwal
(Jt. Managing Director)
(DIN : 0143026)

MANAGEMENT DISCUSSION AND ANALYSIS

ORGANISATION - PROFILE

Suryaamba Spinning Mills Limited is one of the well-known producers of Synthetic Blended Yarn. The company produce 100% Polyester, Viscose, Melange, P/V blended yarns with counts wide ranging from 08s to 60s. Currently the Company has one manufacturing unit with a total installed capacity of 43,632 spindles with a production capacity of 47 MTs per day. The unit is located at Mouza-Nayakund, Near Ramtek in the state of Maharashtra. The unit is certified "ISO 9001:2008".

INDIAN ECONOMY

The year under review was a challenging one. In 2015- 16, Indian economy grew at 7.5% (GDP at market prices). However, with decline in oil and commodity prices aiding in lower current account deficit and inflation, the Indian economy is expected to grow as per World Bank Report by 7.9 percent in next fiscal and 8 percent in 2017-18. With fiscal deficit at below 4%, and current account deficit at 1.6% of GDP, India's macroeconomic fundamentals are healthy.

Indian Textiles Industry has an overwhelming presence in the economic life of the country. Apart from providing one of the basic necessities of life, the textile industry also plays a pivotal role through its contribution to industrial output, employment generation and export earnings of the country.

India, being 2nd largest textile manufacturer in the world accounts for 63% of world's market share in textiles and garments. With 50 million spindles accounting for 24% world's Spindles, India is one of the world's leading and most cost efficient producers of the spun yarn. India's textiles and clothing industry is one of the mainstays of the national economy. The textiles industry is the most labour intensive industry employing 45 million people. This sector contributes 13% of the country's export earnings. Also, 14% of industrial production and 4% of GDP evolve from textile industry. India is major exporting country as far as textile sector is concerned a not dependent on import.

In furtherance, 'Make in India' is an initiative program of the Government of India to encourage companies to manufacture their products in India was embarked by Prime Minister Sri Narendra Modi on 25 September 2014. Textile sector is one of those 25 sectors wherein high hopes to increase GDP growth and revenue is laid on. At present, the government of India allows 100% foreign direct investment (FDI) under the automatic route in the textile sector, subject to all applicable regulations and laws, to espouse the make in India program for the textile and garment industry. Investment opportunities for foreign companies and entrepreneurs are now made available across the entire value chain of synthetics, value-added and specialty fabrics, fabric processing set-ups for all kinds of natural and synthetic textiles, technical textiles, garments, and retail brands.

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

SWOT ANALYSIS

Strengths : Our strengths are,

- ☆ Experienced management team with exposure in textile industry to run the operations.
- ☆ Good reputation in the market due to quality and timely supplies. Emphasis on quality of product nurtured across the company
- ☆ The business model is simple & needs minimum marketing requirement.
- ☆ India has rich resources of raw materials of textile industry. It is one of the largest producesources of fibres like polyester, silk,

viscose etc.,

Weaknesses

- ☆ There is disadvantage in the form of increased power tariff, other input costs etc

Opportunities

- ☆ Booming hosiery manufacturing sector in India, who are probable customers of the Company.
- ☆ Lucrative export market for the yarn especially 40s/ 45s count
- ☆ High demand in premium innerwear market which generally requires 40s count yarn.
- ☆ Make in India: The government's thrust on the 'Make in India' concept aids in futuristic growth in more ways than one. An experienced, enriched and technologically empowered textile sector will only emerge as an international powerhouse in the coming time.

Threats

- ☆ Tough competition from the top domestic market players of the industry.
- ☆ Threat of cheap Chinese import of yarn in Indian as well as global market.
- ☆ Raw materials constitute a significant percentage of the Company's total expenses. However, this is common for any spinning unit.
- ☆ The decline in the TUFS assistance is negative for the textile Industry.
- ☆ Firms in textiles sector are facing following problems in adding capacity due to:
- ☆ Shortage of skilled manpower and labour related issues viscose etc.,
- ☆ Power Shortage
- ☆ High cost of capital
- ☆ Uncertainty in market conditions

- ☆ High prices of raw materials / intermediates
- ☆ Low export demand and uncertainty of economic environment
- ☆ Low domestic demand
- ☆ Competition from imports

RISKS AND CONCERNS

In 2015-16 double digit inflation has increased rapidly and touched record highs. Usually, growing inflation dampens consumer demand for household goods, including textiles and apparels. If India's inflation continues to stay at such a level, there is a risk that domestic sales would be negatively impacted. We suffer on account of poor infrastructure, high transaction cost, not so favorable labour laws, increased power tariff and fuel cost, uncertainty in the government policies, etc. Structural weaknesses need to be addressed particularly in the wake of growing threat from China and other countries.

OUTLOOK

The economy is on the path of recovery and the Company expects good demand for its products in domestic as well as international markets. Major markets for Indian Textile and Clothing (T&C) export are the USA, Germany, Italy, Portugal, Spain, Switzerland, U.K. Belgium, and other European countries, Argentina, Brazil, Turkey, Chile and other south American Countries, Egypt, Kenya, Morocco and other African countries. The domestic market is also on the path of healthy growth because of the fact that few manufacturing facilities operating abroad have closed down due to recession. The home-textiles and garment segments are reflecting sound growth both in the domestic and international markets due to good demand of apparels. There is a substantial scope for further growth in these segments. Your Company believes that the competition in the emerging markets will be met by developing production systems based on cost efficiency, high productivity, quality assurance, etc.,

INTERNAL CONTROLS AND THEIR ADEQUACY

The Company has a robust internal control system and is supervised periodically by competent professional managers. Periodically, the systems are reviewed and aligned to the needs of the growing needs of the Company. Both external and internal auditors, who have access to all records and information about our Company, regularly check company's internal control systems. The Board and the management review the findings and recommendations of the auditors and take corrective actions wherever necessary. The Board considers risk assessment, identification of mitigating actions and internal control procedure to ensure that business risks are identified, managed and regularly reviewed at all levels and that Directors are periodically apprised of the key risks.

HUMAN RESOURCE DEVELOPMENT AND INDUSTRIAL RELATIONS

The Company has recorded higher volumes, operation profit and improved on several operational activities primarily because of the commitment, initiatives and high energy demonstrated by the employees at all levels. Human Capital is the most valuable resource of an organization. Development of human capital has always been the thrust area of the Company. Industrial relations are geared at developing and aligning the operatives to the overall vision of the organization. Your Company takes adequate steps for maintaining safety and healthy environment for the workers and the Directors place on record their sincere appreciation for the excellent team work with which the workers and the staff of the Company at all levels contribute for the better performance of the Company. The total number of people employed by the Company as on 31-Mar-2016 was 1126.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The total Revenue for the year 2015-16 was ₹ 15242.55 Lakhs and profit before tax was of ₹ 449.87 Lakhs

DISCLAIMER

Statements in this report on Management Discussion and Analysis, describing the Company's objectives, projections, estimates, expectations or predictions may be forward looking, considering the applicable laws and regulations. These statements are based on certain assumptions and expectation of future events. Actual results could, however, differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and domestic demand-supply conditions, finished goods prices, raw materials costs and availability, fluctuations in exchange rates, changes in Government regulations and tax structure, economic developments within India and the countries with which the Company has business contacts. The Company assumes no responsibility in respect of the forward looking statements herein, which may undergo changes in future on the basis of subsequent developments, information or events

**For and on behalf of the Board
For Suryaamba Spinning Mills Ltd**

**Virender Kumar Agarwal
(Managing Director)
(DIN : 00013314)**

**Seema Rani Agarwal
(Jt. Managing Director)
(DIN : 0143026)**

Date : 10- June-2016

Place : Nagpur

REPORT ON CORPORATE GOVERNANCE

At Suryaamba Spinning Mills Limited (SSML), Corporate Governance is all about maintaining a valuable relationship and trust with all stakeholders. We consider stakeholders as partners in our success, and we remain committed to maximizing stakeholders' value, be it shareholders, employees, suppliers, customers, investors, communities or policy makers. This approach to value creation emanates from our belief that sound governance system, based on relationship and trust, is integral to creating enduring value for all. We have a defined policy framework for ethical conduct of businesses. We believe that any business conduct can be ethical only when it rests on the six core values of Customer Value, Ownership Mindset, Respect, Integrity, One Team and Excellence.

1. BRIEF STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Effective Corporate governance practices constitute the strong foundations on which successful commercial enterprises are built to last. These practices are categorized through principle based standards and not just through a framework enforced by regulation.

At Suryaamba Spinning Mills Limited, We believe in highest standard of Corporate Governance practices and committed to abide by those standards and even to go beyond statutory requirements. The Board of Directors exercises its fiduciary responsibilities in attainment of the highest levels of transparency, accountability and equity in all facets of its operations, and in all its interaction with its stakeholders, including shareholders, employees and the Government. This is intended to enhance and retain investors' trust.

2. BOARD OF DIRECTORS

Composition, category of Directors and attendance record for the year 2015-2016 :

The Board of Directors along with its Committees provides leadership and guidance to the company's management and directs, supervises and controls the performance of the Company. The Board comprises a combination of Executive and Non Executive Directors. In the financial year, the Board consists of 6 Directors out of which 3 were Executive Directors, 3 are Non-executive Independent Directors. The Non Executive Directors bring independent views and judgment in the decision making process of the Board.

a) Constitution of the Board and participation of Director at meetings of the Board during the year 2015-16

Name of the Directors	DIN	Category	No of other Directorship as on 31 March, 2016	No. of Member ship(s) of Board Committees in other Companies as on 31 Mar 2016	No. of Chairman ship(s) of Board Committees in other Companies as on 31Mar2016
Mr Virender Kumar Agarwal [Promoter]	00013314	Managing Director	2	NIL	NIL
Smt Seema Rani Agarwal [Promoter]	01430206	Joint Managing Director	1	NIL	NIL
Mr Mayank Agarwal [Promoter]	02749089	Whole Time Director	NIL	NIL	NIL
Mr Pundlik Sampatrao Thakare*	02066290	Non-executive Independent Director	NIL	NIL	NIL

Name of the Directors	DIN	Category	No of other Directorship as on 31 March, 2016	No. of Member ship(s) of Board Committees in other Companies as on 31 Mar 2016	No. of Chairman ship(s) of Board Committees in other Companies as on 31 Mar 2016
Mr Amit Goela**	01754804		8	NIL	NIL
Mr Manish Kumar Gupta***	07096129		NIL	NIL	NIL
Mr. Sushil Kapadia****	07529921		NIL	NIL	NIL

* Mr. Pundlik Sampatrao Thakare has been resigned from the office due to sudden death on 5th May, 2016 and the Board has in receipt of his Death Certificate on 25th May, 2016 and has taken on records on 28th May, 2016.

** Mr. Amit Goela is Designated Partner in 1(One) LLP namely: Capris Advisors LLP.

*** Mr. Manish Kumar Gupta appointed as an Additional Director w.e.f 14-February-2015 and has regularized and appointed as an Independent director w.e.f 25-September-2015 in the previous year Annual General Meeting held on 25th September, 2015.

**** Mr. Shushil Kapadia has been appointed as an Additional Director w.e.f. 28th May, 2016.

b) Attendance of each Director at the Board of Directors Meeting and the last Annual General Meeting:

Name of the Director	No. of Board meetings held from 01 Apr 2015 to 31 March, 2016	No. of Board meetings held from 01 Apr 2015 to 31 March, 2016	Attendance at last AGM 25 Sept, 2015
Mr Virender Kumar Agarwal [Promoter]	8	8	Yes
Smt Seema Rani Agarwal [Promoter]	8	8	Not Present
Mr Mayank Agarwal [Promoter]	8	8	Yes
Mr Pundlik Sampatrao Thakare*	8	8	Not Present
Mr Amit Goela	8	8	Not Present
Mr Manish Kumar Gupta **	8	8	Present
Mr. Sushil Kapadia***	NIL	NIL	NIL

** Mr. Pundlik Sampatrao Thakare has been resigned from the office due to sudden death on 5th May, 2016 and the Board has in receipt of his Death Certificate on 25th May, 2016 and has taken on records on 28th May, 2016.

** Mr. Manish Kumar Gupta appointed as an Additional Director w.e.f 14-February-2015 and has

regularized and appointed as an Independent director w.e.f 25-September-2015 in the previous year Annual General Meeting held on 25th September, 2015.

*** Mr. Sushil Kapadia appointed as an Additional Director w.e.f. 28th May, 2016.

c) Number of Board meetings held and their dates:

During the period under review the Board of Directors duly met Eight (8) times respectively on 08-May-2015, 28-May-2015, 31-July-2015, 13-Aug-2015, 18-Aug-2015, 28-Aug-2015, 02-Jan-2016, 13-Jan- 2016. The maximum time gap between any two consecutive meetings did not exceed One Hundred and Twenty (120) days.

d) Re-appointment of Directors

1. Name	-	Mr. Sushil Kapadia (DIN: 07529921)
Age	-	49 Years
Qualification	-	B.Com
Expertise	-	Mr. Sushil Kapadia is owner of Kapadia trust at Hyderabad. He has vast experience in the field of Hotel Management & Finance.
Other Directorships:	-	Nil
Share holding in the Company	-	Nil

2. Name	-	Mayank Agarwal (DIN:02749089)
Age	-	26 years
Qualification	-	Industrial Engineering [Michigan University, USA]
Expertise	-	Mr. Mayank Agarwal is having the vast expertise in the Textile Industry. He has augmented rapid growth in Company's Markets share by expanding the customer base in both market i.e. domestic as well as overseas.
Other Directorships:	-	Nil
Share holding in the Company	-	2,70,997 Equity shares of the Company.

e) Code of Conduct.

The Company has adopted a Code of Conduct for all Board Members and Senior Management Personnel of the Company. The Code of Conduct has been made available on company's website, www.suryaamba.com.

All the members of the Board and Senior Management personnel have affirmed their compliance with the Code of Conduct. A declaration regarding the Code of Conduct's Compliances has been given at the end of the Corporate Governance Report, signed by the Managing Director/Joint Managing Director of the Company.

3. Audit Committee

In compliance with the Regulation 18 of the SEBI Listing Regulations, 2015 and Section 177 of the Companies Act, 2013, the Board of Directors of the Company has duly constituted an Audit Committee comprises of three (3) members out of which two (2) are Non-Executive Independent Director and One (1) is Executive Director as on 31st March, 2016.

a) Brief description of terms of reference :

1. Oversight of the company's financial reporting process and disclosure of financial information.
2. Review of quarterly, half yearly and annual financial statements.
3. Recommending the appointment and removal of external Auditors and fixing of their remuneration.
4. Review the adequacy of internal control systems and internal audit functions.
5. Review of Company's financial and risk management policies.

b) Composition and Chairperson :

1. Mr. Pundlik Sampatrao Thakare*	Chairman
2. Mr. Amit Goela	Member
3. Mrs. Seema Rani Agarwal	Member

* Mr. Pundlik Sampatrao Thakare has been resigned from the office due to sudden death on 5th May, 2016 and the Board has in receipt of his Death Certificate on 25th May, 2016 and has taken on records on 28th May, 2016. The Audit Committee has been re-constituted on 28th May, 2016 comprises of three members viz: Mr. Amit Goela - Chairman, Mrs. Seema Rani Agarwal - Member and Mr. Sushil Kapadia - Member.

c) Meetings and Attendance during the year :

During the year under review, four Audit Committee meetings were held on 28th May, 2015, 13th August, 2015, 6th November, 2015, 13th January, 2016. The attendance of each member of the Committee is given below.

Name	No. of Meetings attended
1. Mr. Pundlik Sampatrao Thakare	4
2. Mr. Amit Goela	4
3. Smt Seema Rani Agarwal	4

4. NOMINATION AND REMUNERATION COMMITTEE

a) Brief description of terms of reference :

To formulate a remuneration policy and approve the remuneration or revision in the remuneration payable to the Directors, Key Managerial personnel and senior Management of the company.

b) Composition and Chairperson :

Name	Category	Designation
1. Mr. Pundlik Sampatrao Thakare*	Non-Executive Independent	Chairman
2. Mr. Amit Goela	Non-Executive Independent	Member
3. Mr. Manish Kumar Gupta	Non-Executive Independent	Member

* Mr. Pundlik Sampatrao Thakare has been resigned from the office due to sudden death on 5th May, 2016 and the Board has in receipt of his Death Certificate on 25th May, 2016 and has taken on records on 28th May, 2016. The Nomination and Remuneration Committee has been reconstituted on 28th May, 2016 comprises of three members viz. Mr. Amit Goela-Chairman, Mr. Manish Kumar Gupta-Member & Mr. Sushil Kapadia-Member.

c) Meeting and Attendance during the year 2015-2016 :

During the year under review, Two Remuneration Committee meeting was held on 13th August, 2015 and 13th January, 2016. The attendance of each member of the Committee is given below:

Name	No. of Meetings attended
1. Mr. Pundlik Sampatrao Thakare	2
2. Mr. Amit Goela	1
3. Mr. Manish Kumar Gupta	2

d) Brief description of terms of reference

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of Independent Directors and the Board;
3. Devising a policy on Board diversity;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

e) Remuneration policy
Brief description of the Policy

- ☆ The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his/her appointment.
- ☆ A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position
- ☆ The Company shall not appoint or continue the employment of any person as Whole time Director

who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

Remuneration

- ☆ The Remuneration of Directors should be in accordance with the provisions of the Companies Act, 2013 read with Schedule-V of the companies Act, 2013 as amended from time to time.
- ☆ To ensure that the level and components of remuneration is reasonable and sufficient to attract, retain and motivate Directors, KMP and other employees of the quality required to run the Company successfully.
- ☆ No director/KMP/ other employee are involved in deciding his or her own remuneration.
- ☆ The trend prevalent in the similar industry, nature and size of business are kept in view and given due weight age to arrive at a competitive quantum of remuneration.
- ☆ It is to be ensured that relationship of remuneration to the performance is clear & meets appropriate performance benchmarks which are unambiguously laid down and communicated.
- ☆ Improved performance should be rewarded by increase in remuneration and suitable authority for value addition in future.
- ☆ Remuneration packages should strike a balance between fixed and incentive pay, where applicable, reflecting short and long term performance objectives appropriate to the Company's working and goals.
- ☆ Provisions of all applicable laws with regard to making payment of remuneration to the Board of Directors, KMP and Senior Management, as may be applicable from time to time, shall be complied.
- ☆ Whenever, there is any deviation from the Policy, the justification/reasons should also be indicated/ disclosed adequately.

f) Details of remuneration paid to Directors

Details of remuneration to Managerial Persons of the company during the financial year 2015-2016 is given below:

Name of the Director	Salary allowances & Perquisites in ₹	Sitting Fees paid in ₹	Commission Paid in ₹	Total in ₹	No. of Shares held as on 31st Mar, 2016
Virender Kumar Agarwal	3,001,488	-	-	3,001,488	1,206,191
Seema Rani Agarwal	2,428,704	-	-	2,428,704	642,250
Mayank Agarwal	1,922,736	-	-	1,922,736	270,997
Pundlik S. Thakre*	-	28,000	-	28,000	NIL
Amit Goela	-	28,000	-	28,000	NIL
Manish Kumar Gupta	-	30,000	-	30,000	NIL
Sushil Kapadia	-	-	-	-	NIL

Note : There was no sitting fees paid in reference to Remuneration Committee Meetings.

- * Mr. Pundlik Sampatrao Thakare has been resigned from the office due to sudden death on 5th May, 2016 and the Board has in receipt of his Death Certificate on 25th May, 2016 and has taken on records on 28th May, 2016.
- ** Mr. Sushil Kapadia appointed as an Additional Director w.e.f. 28th May, 2016.

5. STAKEHOLDERS RELATIONSHIP COMMITTEE

a) Brief Description :

The scope of the committee shall include considering and resolving the grievances of the security holders of the company.

b) Composition and brief terms of reference :

The role of the Committee is to periodically review and redress the shareholders' and investors' complaints pertaining to transfer of shares, non receipt of annual reports, non-receipt of declared dividends, etc. The Committee oversees the performance of the Registrar and Transfer Agents and recommends measures for overall improvement in the quality of investor services.

The Board of Directors has delegated the power of approving transfer of shares to the Managing Director of the Company and the details regarding the transfers are placed before the Board of Directors at the subsequent meeting for their approval.

As on 31st March, 2016 the composition of the Committee and the details of meetings attended by its members are given below:

Name	Category	Designation
1. Mr. Pundlik Sampatrao Thakare*	Non-Executive Independent	Chairman
2. Mr. Amit Goela	Non-Executive Independent	Member
3. Mrs. Seema Rani Agarwal	Executive/Promoter	Member

- * Mr. Pundlik Sampatrao Thakare has been resigned from the office due to sudden death on 5th May, 2016 and the Board has in receipt of his Death Certificate on 25th May, 2016 and has taken on records on 28th May, 2016. The Stakeholders Relationship Committee has been re-constituted on 28th May, 2016 comprises of three members viz: Mr. Amit Goela - Chairman, Mrs. Seema Rani Agarwal - Member and Mr. Sushil Kapadia - Member.

c) Name and designation of the Compliance Officer :

Mr. Virender Kumar Agarwal, Managing Director is the Compliance officer of the Company.

*Mr. Kailash Purohit was appointed as the Company Secretary and Compliance Officer of the Company with effect from 2nd January, 2016 and resigned from the post with effect from 12th May, 2016

d) Number of Shareholders complaints received so far :

5 Complaints were received by the Company during the year.

e) Number of Shareholders complaints not resolved to the satisfaction of shareholder :

All the complaints were resolved to the satisfaction of shareholders.

f) Number of pending share transfers :

There were no transfers pending.

6. GENERAL BODY MEETINGS

a) Location, date and time for last three Annual General meetings are :

Financial year	Date	Venue	Time
2012-13	11-Sep-2013	Kamat Lingapur Hotel, 1-10-44/2, Chikoti Gardens, Begumpet, Hyderabad-500016	2.30 P.M.
2013-14	09-Aug-2014	Kamat Lingapur Hotel, 1-10-44/2, Chikoti Gardens, Begumpet, Hyderabad-500016	4.00 P.M.
2014-15	25-Sep-2015	Kamat Lingapur Hotel, 1-10-44/2, Chikoti Gardens, Begumpet, Hyderabad-500016	4:00 P.M.

b) Special Resolution passed in the previous three (3) Annual general meeting (AGMs)

Date	No. of Special Resolutions Passed	Particulars of the Special Resolution
11-Sep-2013	1	Re-appointment of Mr. Mayank Agarwal as Whole-time Director of the Company
09-Aug-2014	3	<ol style="list-style-type: none"> 1. Re-appointment of Mr. Virender Kumar Agarwal as Managing Director of the company 2. Re-appointment of Ms. Seema Rani Agarwal as Joint Managing Director of the company. 3. Increase the borrowing limits pursuant to the provisions of Section 180(1)[c]
25-Sep-2015	2	<ol style="list-style-type: none"> 1. To approve and ratify the appointment of Mr. Mayank Agarwal as the Whole-time Director for further period of 5(five) years. 2. To approve the Change of Address of RTA for keeping Register of Members and other records.

c) Whether special resolutions were put through postal ballot last year :

No

At the ensuing Annual General Meeting, there is no resolution proposed to be passed through postal ballot.

d) Person who conducted the postal ballot exercise :

Not Applicable

e) Whether any resolution is proposed to be conducted through postal ballot :

NIL

f) Procedure for postal ballot :

Not Applicable

Details of Extra-Ordinary General Meetings held during the Financial Year.

Date	Venue	Time
Nil	Nil	Nil

7. DISCLOSURES :

a) Disclosures on materially significant related party transactions i.e., transactions of the company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives, etc., that may have potential conflict with the interests of Company at large :

During the period under review, the Company had not entered into any material transaction with any of its related parties. None of the transactions with any of related parties were in conflict with the Company's interest. Attention of members is drawn to the disclosure of transactions with related parties set out in Note No. 24 of Audited Financial Statements, forming part of the Annual Report.

All related party transactions are negotiated on an arm's length basis in the ordinary course of business, and are intended to further the Company's interests.

b) Details of non-compliance by the company, penalties, and strictures imposed on the company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years :

The company has failed to submit the shareholding pattern for the quarter ended September, 2014 under clause 35 of Listing Agreement. With respect to this non-compliance BSE imposed penalty of Rs. 53393/-

c) Whistle Blower policy :

The Company promotes ethical behavior in all its business activities and has put in place a mechanism for reporting illegal or unethical behavior. The Company has a Vigil mechanism/Whistle blower policy under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct.

The reportable matters may be disclosed to the Compliance Officer who operates under the supervision of the Audit Committee. Employees may also report to the Chairman of the Audit Committee. During the year under review, no employee was denied access to the Audit Committee.

d) The company has submitted the compliance report on Corporate Governance within the prescribed time pursuant to the Listing Agreement.

e) Details of compliance with mandatory requirements and adoption of non-mandatory requirements :

Mandatory requirements : All complied with.

Non-mandatory requirements :

a. Audit qualifications :

The Company is in the regime of unqualified financial statements.

b. Separate posts of Chairman and Managing Director :

The Company has appointed separate persons to the post of Chairman and Managing Director.

c. Reporting of Internal Auditor :

The Internal Auditor directly reports to the Audit Committee.

f) CEO and CFO Certificate :

In terms of the SEBI Listing Regulations, 2015, the Certificate duly signed by Managing Director and Chief Financial Officer of the Company was placed before the Board of Directors along with the financial statements for the year ended March 31, 2016, at its meeting held on 30-May-2016. The same is annexed herewith.

8. MEANS OF COMMUNICATION :

a) Quarterly Results sent to each household of shareholders :

No, as the results of the Company are published in the Newspapers having wide circulation.

b) Newspapers in which Quarterly results normally published :

The Quarterly results are normally published in Business Standard(English Daily, Hyderabad and Mumbai) and Nava Telangana (Telugu Daily).

c) Website, where the results and other official news releases are displayed :

Official news releases along with quarterly results are displayed on the Company's Website at www.suryaamba.com.

d) Whether the Management Discussion and Analysis is a part of the Annual Report :

The Management Discussion and Analysis is a part of the Annual Report.

9. GENERAL SHAREHOLDER INFORMATION

a) Annual General Meeting Date, Time, Venue

Date : 5th August, 2016

Time : 11.30 A.M.

Venue : Kamat Lingapur Hotel, 1-10-44/2, Chikoti Gardens, Begumpet, Hyderabad- 500016

b) Financial Calendar : 1st April to 31st March

c) Date of Book closure : 1st August, 2016 to 5th August, 2016 (both days inclusive)

d) Dividend Payment Date : within 30 days from the date to Annual General Meeting)

e) Listed on stock exchange : Bombay Stock Exchange Limited, Mumbai (BSE Ltd)

f) Scrip Code : 533101

g) Market Price Data :

High, low and close during the month in last financial year and performance in comparison to broad based indices such as BSE Sensex, etc. Company's shares are being traded on BSE only the high, low & close prices during each month are given below:

Month	Bombay Stock Exchange			
	High (₹)	Low (₹)	Close (₹)	Volume (Nos)
April-2015	50.40	37.25	45.90	28,471
May-2015	48.00	40.25	42.75	17,378
June-2015	47.85	35.00	37.30	22,443
July-2015	47.75	36.90	44.85	26,991
August-2015	52.80	34.00	38.10	31,625
September-2015	41.70	35.20	36.15	9,178
October-2015	44.90	36.15	38.25	7,742
November-2015	43.00	36.15	38.60	7,139
December-2015	43.85	38.00	41.70	28,842
January-2016	52.50	42.50	51.40	65,375
February-2016	52.85	40.15	40.15	15,292
March-2016	47.75	41.10	42.10	7,916

h) Stock Performance in Comparison to broad-based indices such as BSE Sensex

The Share Price of the Company has been moving with the trends of indices

Month	Share Price in BSE		BSE – Sensex	
	High	Low	High	Low
April-2015	50.40	37.25	29,094.61	26,897.54
May-2015	48.00	40.25	26,423.99	27,828.44
June-2015	47.85	35.00	26,307.07	27,780.83
July-2015	47.75	36.90	27,416.39	28,114.56
August-2015	52.80	34.00	25,298.42	26,283.09
September-2015	41.70	35.20	24,833.54	26,154.83
October-2015	44.90	36.15	26,168.71	26,656.83
November-2015	43.00	36.15	25,451.42	26,145.67
December-2015	43.85	38.00	24,867.73	26,117.54
January-2016	52.50	42.50	23,839.76	24,870.69
February-2016	52.85	40.15	22,494.61	23,002.00
March-2016	47.75	41.10	23,133.18	25,341.86

i) Registrar & Transfer Agents:

M/s. Karvy Computershare Private Limited
Karvy Selenium Tower B, Plot No.31 & 32, Gachibowli,
Financial District, Nanakaramguda, Serilingampally, Hyderabad- 500 032.
Phone No. 040-44655000 Fax No.040-23420814
E-mail: einward@karvy.com, Website: www.karvycomputershare.com

j) Share transfer System:

The Board of Directors has delegated the power of approving transfer of shares to the Managing Director of the Company and the details regarding the transfers are placed before the Board of Directors at the subsequent meeting for their approval. The Company's Registers and Share Transfer Agent is M/s. Karvy Computer share Private Limited, Hyderabad, who look after shares transfers and other related works. The Company ensures that all transfers are affected within stipulated time period from the date of their lodgement with the Company.

In terms of SEBI circular No. D&CC/FITTC/CR-16 dated 31-12-2002, Secretarial Audit will be conducted on quarterly basis by a Practicing Company Secretary for the purpose of, inter alia, reconciliation of the total submitted Equity share capital with the depositories and in the physical form with the total issued/paidup equity capital of the Company. Certificates so placed before the Board of Directors are forwarded to Bombay Stock Exchange Limited, where the shares of the Company are listed.

k) Distribution of Shareholding:

a) Shareholding pattern as on 31st March 2016

Category	No. of Shares held	Percentage of shareholding
1) BANKS	870	0.03
2) CLEARING MEMBERS	15	0.00
3) HUF	22916	0.78
4) BODIES CORPORATES	27376	0.93
5) MUTUAL FUNDS	64	0.00
6) NON RESIDENT INDIANS	13943	0.48
7) PROMOTER INDIVIDUALS	2136776	72.88
8) RESIDENT INDIVIDUALS	729984	24.90
TOTAL	2931944	100.00

l) Distribution of Shareholding as on 31st March 2016

Share of Debenture Holding of Nominal Value of (₹)	Share/Debenture Holders		Share/Debenture Amount	
	Number	% to Total	In ₹	% to Total
(1)	(2)	(3)	(4)	(5)
Upto - 5000	2824	92.35	2474770.00	8.44
5001- 10000	112	3.66	873790.00	2.98
10001- 20000	58	1.90	847150.00	2.89
20001- 30000	25	0.82	646700.00	2.21
30001- 40000	15	0.49	541120.00	1.85
40001- 50000	6	0.20	267880.00	0.91
50001- 100000	6	0.20	478600.00	1.63
100001 & Above	12	0.39	23189430.00	79.09
TOTAL	3058	100.00	29319440.00	100.00

m) Shareholding pattern as on 31st March 2016

Category of Shareholder	As on 31st March, 2016		
	No. of Share holders	Total No. of Shares	%
Promoter's Holding			
Indian Promoters ¹	7	2136776	72.88
Total Promoter's Holding (A)	7	2136776	72.88
Public Shareholding			
Institutional Investors			
Mutual Funds	2	64	0.00
Financial Institutions/Banks	3	870	0.03
Foreign Institutional Investors	Nil	Nil	-
Foreign Companies	Nil	Nil	-
Non-Institutional Investors			
Bodies Corporate	63	27376	0.93
Individuals	2968	752900	25.68
Others			
Non-Resident Indians	14	13943	0.48
Overseas Corporate Bodies	Nil	Nil	-
Trusts	Nil	Nil	-
Clearing Members	1	15	0.00
Total Public Shareholding (B)	3046	794234	27.09
Shares held by Custodian against Depository Receipts [c]	Nil	Nil	-
TOTAL (A+B+C)	3058	2931944	100.00

n) Dematerialization of Shares & Liquidity:

The shares of the Company are compulsorily traded in DE-MAT form in the Stock Exchanges where they are listed. The shares are available for dematerialization on both the Depositories viz., National Securities Depository Limited(NSDL) and Central Depository Services(India) Limited(CDSL).

As on 31st March, 2016, 28,51,078 Equity shares were dematerialized representing 97.24% of the total paid up equity share capital of the Company. The ISIN allotted to the company's scrip is I N E 360J01011. The shares of the Company are actively traded at Bombay Stock Exchange Limited, Mumbai.

Address of Registrar for Dematerialization of Shares:

M/s. Karvy Computershare Private Limited
Karvy Selenium Tower B, Plot No.31 & 32, Gachibowli,
Financial District, Nanakaramguda, Serilingampally,
Hyderabad- 500 032.
Phone No. 040-44655000 Fax No.040-23420814
E-mail: einward@karvy.com
Website: www.karvycomputershare.com

- o) **Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on Equity :**

Not applicable as the Company has not issued any of the above instruments.

- p) **Plant Locations:**

Mouza-Nayakund, Near Ramtek, Nagpur, Maharashtra.

- q) **Address for Correspondence:**

For transfer/dematerialization of shares, change of Address of members and other:	Any queries relating to Annual reports, etc. queries relating to the shares of the company
M/s. Karvy Computershare Private Limited Karvy Selenium Tower B, Plot No.31 & 32, Gachibowli, Financial Dist., Nanakaramguda, Financial District, Nanakaramguda, Serilingampally, Hyderabad- 500 032. Phone No. 040-44655000 Fax No.040-23420814 E-mail: einward@karvy.com	The Compliance Officer, Suryaamba Spinning Mills Limited Surya Towers, 1st Floor, 105, Sardar Patel Road, Secunderabad- 500 003. Phone No.040-27813360 E-mail: mail@suryaamba.com

DECLARATION

As provided under the SEBI Listing Regulations, 2015, all Board members and Senior Management Personnel have affirmed compliance with Suryaamba Spinning Mills Limited Code of Conduct for the year ended March 31, 2016.

Place : Nagpur
Date : 10-June-2016

For and on behalf of the Board
For Suryaamba Spinning Mills Ltd.

Virender Kumar Agarwal
(Managing Director)
(DIN : 00013314)

Seema Rani Agarwal
(Jt. Managing Director)
(DIN : 0143026)

**CERTIFICATE BY THE CHIEF EXECUTIVE OFFICER [CEO]
& CHIEF FINANCIAL OFFICER [CFO]**

To
The Board of Directors,
M/s. Suryaamba Spinning Mills Limited

We, Virender Kumar Agarwal, Managing Director and Gajanan Chhawsaria, CFO of Suryaamba Spinning Mills Limited hereby certify to the Board that:

- a. We have reviewed the financial statements and the cash flow statements for the year ended 31st March, 2016 and certify that to the best of our knowledge and belief; The compliance of conditions of Corporate Governance is the responsibility of the Management. Our
 - i. These statements do not contain any materially untrue statement nor omit any material fact not contain statements that might be misleading; and
 - ii. These statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct;
- c. We accept responsibility for establishing and maintaining internal controls in the Company and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the audit committee, deficiencies in the design or the operation of internal controls, if any, of which we are aware and the steps that we have taken or propose to take and rectify the identified deficiencies
- d. We have indicated to the auditors and the Audit Committee of:
 - i. Significant changes in the internal control during the year;
 - ii. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. There are no instances of significant fraud of which we have become aware.
 - (a) We affirm that we have not denied any personnel access to the Audit Committee of the Company (in respect of matters involving alleged misconduct).
 - (b) We further declare that all Board Members and designated Senior Management have affirmed compliance with the Code of Conduct for the Current year

**Place : Nagpur
Date : 10-June-2016**

**Virender Kumar Agarwal
Managing Director
(DIN: 00013314)**

**Gajanan Chhawsaria
Chief Financial Officer**

INDEPENDENT AUDITOR'S REPORT

To,
The Members of
SURYAAMBA SPINNING MILLS LIMITED

Report on the Financial Statements :

We have audited the accompanying financial statements of SURYAAMBA SPINNING MILLS LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and Cash Flow Statement for the year ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial Statements :

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

Auditor's Responsibility :

Our responsibility is to express an opinion on these financial statements based on our audit. We have

taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the Auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion :

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



- a) In the case of the Balance Sheet, of the State of affairs of the Company as at 31st March, 2016;
- b) In the case of the Statement of Profit and Loss, of the Profit for the Year ended on that date; and
- c) In the case of Cash flow statement, of the Cash Flows for the year ended on that date.
- e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) 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:

Report on Other legal & Regulatory requirements :

1. As required by the Companies (Auditor's Report) Order, 2015, ("the order"), issued by the Central Government of India, in terms of subsection (11) of section 143 of the Companies Act, 2013, we give in Annexure a statement on the matters specified in paragraphs 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 obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The Balance Sheet and Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies Accounts Rules, 2014
- i) The Company does not have any pending litigations which would impact its financial position.
 - 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 S. Venkatadri & Co.,
Chartered Accountants
Firm's Regn No. 004614S**

**(K.SRINIVASA RAO)
PARTNER
M.No. 201470**

**Place : Hyderabad
Date : 30-May-2016**

ANNEXURE TO THE AUDITOR'S REPORT

The Annexure referred to in paragraph 1 under "Report on other legal & Regulatory Requirements" of our Report of even date to the members of SURYAAMBA SPINNING MILLS LIMITED, on the financial statements for the year ended 31st March 2016, we report that :

- (i) a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) As explained to us, the fixed assets have been physically verified by the management during the year in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- (ii) a) The inventory has been physically verified during the year by the management at reasonable intervals. In our opinion, the frequency, of verification is reasonable and adequate.
- b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- c) The company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) The company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of inventory, fixed assets and for sale of goods.
- (v) The Company has not accepted deposits from the public covered by the provisions of Section 73 to 76 of the Companies Act, 2013.
- (vi) We have broadly reviewed the Cost records maintained by the Company prescribed by the Central Govt for the maintenance of cost records under Section 148 (1) of the Act and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However we have not made a detailed examination of the records.
- (vii) a) According to the information and explanations given to us and based on the records of the company examined by us, the company is regular in depositing the undisputed statutory dues, including Provident Fund, , Employees' State Insurance, Income-tax, Value Added Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and other material statutory dues, as applicable, with the appropriate authorities in India. Employees' State Insurance is not applicable to the company for the current year.
- b) According to the information and explanations given to us and based on the records of the company examined by us, there are no dues of company examined by us, there are no dues of Income Tax, Wealth Tax, Service Tax, Sales Tax, Customs Duty and Excise Duty which have not been deposited on account of any disputes.
- c) There are no amounts which are required to be transferred to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under.



SURYAAMBA SPINNING MILLS LIMITED

- (viii) The company had no accumulated losses and has not incurred cash losses during the financial year covered by our audit or in the preceding financial year.
- (ix) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
- (x) The company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xi) In our opinion, and according to the information and explanations given to us, the term loans have been applied for the purposes for which the loans were obtained.
- (xii) In our opinion and according to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

**For S. Venkatadri & Co.,
Chartered Accountants
Firm's Regn No. 004614S**

**(K.SRINIVASA RAO)
PARTNER
M.No. 201470**

**Place : Hyderabad
Date : 30-May-2016**

CERTIFICATE ON CORPORATE GOVERNANCE

To,

The Members of
SURYAAMBA SPINNING MILLS LIMITED

1. We have examined the compliance of conditions of Corporate Governance by Suryaamba Spinning Mills Limited ("the Company"), for the year ended on March 31, 2016, as stipulated in:
 - ☆ Clause 49 (excluding clause 49(VII) (E)) of the Listing Agreements of the Company with stock exchange(s) for the period from April 01, 2015 to November 30, 2015.
 - ☆ Clause 49(VII) (E) of the Listing Agreements of the Company with the stock exchange(s) for the period from April 01, 2015 to September 01, 2015.
 - ☆ Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) for the period from September 02, 2015 to March 31, 2016 and
 - ☆ Regulations 17 to 27 (excluding Regulation 23(4)) and clauses (b) to (i) of Regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations for the period from December 01, 2015 to March 31, 2016.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India.
4. In our opinion and to the best of our information and according to our examination of the relevant records and the Explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied in all material respects, with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement and Regulation 17 to 27 and clauses (b) to (i) of Regulation 46(2) and paragraph C, D and E of Schedule V of the Listing Regulations for the respective periods of applicability as specified under paragraph 1 above.
5. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**For S.Venkatadri & Co.,
Chartered Accountants
Firm's Regn No. 0046145**

**(K.SRINIVASA RAO)
PARTNER
M.No. 201470**

**Place : Hyderabad
Date : 30-May-2016**

Balance Sheet as at 31st March, 2016

(₹ in Lakhs)

Particulars	Note No.	As At 31.03.2016	As At 31.03.2015
1	2	3	4
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	1	1,066.19	1,066.19
(b) Reserves and surplus	2	2,038.73	1,851.36
		<u>3,104.92</u>	<u>2,917.55</u>
2 Non-current liabilities			
(a) Long-term borrowings	3	2,077.46	1,714.29
(b) Deferred tax liabilities (Net)		438.69	371.80
(c) Long-term provisions	4	311.09	274.58
		<u>2,827.24</u>	<u>2,360.67</u>
3 Current liabilities			
(a) Short-term borrowings	5	1,613.38	1,283.49
(b) Trade payable	6	523.62	260.41
(c) Other current liabilities	7	474.95	433.54
(d) Short-term provisions	8	363.98	218.59
		<u>2,975.93</u>	<u>2,196.03</u>
Total		<u>8,908.09</u>	<u>7,474.25</u>
II. ASSETS			
Non-current assets			
1 (a) Fixed assets			
(i) Tangible assets	9	5,119.04	4,787.32
(ii) Capital work-in-progress		165.78	-
(b) Long-term loans and advances	10	3.07	105.38
		<u>5,287.89</u>	<u>4,892.70</u>
2 Current assets			
(a) Inventories	11	1,114.32	846.09
(b) Trade receivables	12	1,264.37	975.10
(c) Cash and cash equivalents	13	82.36	52.15
(d) Short-term loans and advances	14	449.71	285.91
(e) Other current assets	15	709.44	422.30
		<u>3,620.20</u>	<u>2,581.55</u>
TOTAL		<u>8,908.09</u>	<u>7,474.25</u>

The notes referred to above form an integral part of financial statements.
per Our Report of even date

for S.Venkatadri & Co.

 Chartered Accountants
 Firm's Regn No : 004614S

For and on behalf of the Board
K.Srinivasa Rao
 Partner
 Membership No. 201470

Virender Kumar Agarwal
 Managing Director
 (DIN : 00013314)

Seema Rani Agarwal
 Jt Managing Director
 (DIN : 0143026)

Place : Hyderabad
Date : 30th May, 2016

Profit and loss statement for the year ended 31st March, 2016

(₹ in Lakhs)

Particulars	Refer Note No.	Current Year	Previous Year
I. Revenue from operations	16	14,827.07	14,659.95
II. Other income	17	415.48	256.53
III. Total Revenue (I + II)		15,242.55	14,916.48
IV. Expenses:			
Cost of materials consumed	18	9,452.63	10,092.35
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	19	(97.34)	(153.38)
Employee benefits expense	19	1,525.11	1,289.84
Finance costs	20	512.35	462.20
Depreciation and amortization expense	21	362.46	357.21
Other expenses	22	3,037.47	2,591.34
Total expenses		14,792.68	14,639.56
V. Profit before tax		449.87	276.92
VI. Tax expense:			
(1) Current tax/Income Tax		99.53	57.69
(2) Deferred tax (Asset)/Liability		66.89	79.78
(3) MAT Credit Entitlement		(13.63)	(57.69)
(4) Earlier Year's MAT Credit Entitlement		-	16.08
Sub-Total - Tax expense		152.79	95.86
VII Profit (Loss) for the period		297.08	181.06
VIII. Earnings per equity share:			
(1) Basic		7.59	3.64
(2) Diluted		7.59	3.64

The notes referred to above form an integral part of financial statements.
per Our Report of even date

for S.Venkatadri & Co.
Chartered Accountants
Firm's Regn No : 004614S

For and on behalf of the Board

K.Srinivasa Rao
Partner
Membership No. 201470

Virender Kumar Agarwal
Managing Director
(DIN : 00013314)

Seema Rani Agarwal
Jt Managing Director
(DIN : 0143026)

Place : Hyderabad
Date : 30th May, 2016

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH,2016 (₹ in Lakhs)

Particulars	Year Ended 31.03.2016	Year Ended 31.03.2015
A. Cash Flow from Operating Activities :		
Net Profit before tax	449.87	276.92
ADD / (LESS) : Depreciation	362.00	356.75
Reserve for Depreciation	-	(43.26)
Finance Charges	484.05	441.28
Preliminary Expenses Written Off	0.46	0.46
Interest earned	(18.79)	(20.09)
Credit Balance Written Back	(26.08)	0.02
Rent Received	(4.56)	(6.50)
(Gain)/Loss on Foreign Currency	(15.35)	
	<u>781.73</u>	<u>728.65</u>
Operating Profit before working capital changes	1,231.60	1,005.58
Adjustment for working capital changes:		
Add / (LESS) : Decrease/(Increase) in Inventories	(268.23)	(47.02)
Decrease/(Increase) in Receivables	(289.27)	(15.52)
Decrease/(Increase) in Loan & Advances	(363.25)	147.66
(Decrease)/Increase in Current Liabilities	482.12	271.75
	<u>(438.63)</u>	<u>356.87</u>
Operating Profit after working capital changes	<u>792.97</u>	<u>1,362.45</u>
Less: Taxes Paid	<u>(32.49)</u>	<u>(56.30)</u>
Net Cash Inflow from Operating Activity (A)	<u>760.48</u>	<u>1,306.16</u>
B. Cash Flow From Investing Activities :		
Interest earned	16.13	18.04
Rent Received	4.56	6.50
Gain / (Loss) on Foreign Currency	15.35	-
Acquisition of Fixed Assets including Capital Work In Progress	(859.51)	(603.53)
(Increase)/Decrease in Advance for Capital equipment	9.73	13.20
Net Cash Outflow from Investing Activity (B)	<u>(813.74)</u>	<u>(565.79)</u>
C. Cash Flow from Financing Activity :		
Share Application Money Received	-	65.17
Repayment of Term Loans	72.00	(53.56)
Increase/(Decrease) in Working Capital Loans	329.89	(177.76)
Hire Purchase Loan received	65.00	-
Deposit Received	2.28	-
Repayment of Hire Purchase Loans	(13.20)	(14.17)
Loan from Directors	243.76	14.92
Dividend and Dividend Distribution Tax Paid	(109.72)	(115.27)
Interest Paid	(506.55)	(422.93)
Net Cash Outflow from Financing Activity (C)	<u>83.46</u>	<u>(703.60)</u>
"Net Increase/(decrease) in Cash and Cash Equivalents during the Financial Year (A+B+C)"	30.21	36.77
Add : Cash and Cash Equivalent at the beginning of the year	<u>52.15</u>	<u>15.38</u>
Cash and Cash Equivalent at the close of the year	<u>82.36</u>	<u>52.15</u>

Note: The Cash Flow Statement has been prepared under the indirect method as set out in the Accounting Standard, AS - 3 : Cash Flow Statements issued by the Institute of Chartered Accountants of India.

Per our report of even date

for **S.Venkatadri & Co.**

Chartered Accountants
Firm's Regn No : 004614S

For and on behalf of the Board

K. Srinivasa Rao
Partner
Membership No. 201470

Virender Kumar Agarwal
Managing Director
(DIN : 00013314)

Seema Rani Agarwal
Jt Managing Director
(DIN : 0143026)

Place : Hyderabad
Date : 30th May, 2016

Notes to the Financial Statements

(₹ in Lakhs)

Note 1 Share Capital:

Particulars	As at 31 March 2016		As at 31 March 2015	
	Number	Amount	Number	Amount
Authorised				
Equity Shares of ₹ 10 each	5,000,000	500.00	5,000,000	500.00
Cumulative Redeemable Preference shares of ₹ 100 each	1,500,000	1,500.00	1,500,000	1,500.00
		2,000.00		2,000.00
Issued, Subscribed and Paid Up				
Equity Shares of ₹ 10 each	2,931,944	293.19	2,931,944	293.19
8% Cumulative Redeemable Preference shares of ₹ 100 each	773,000	773.00	773,000	773.00
		1,066.19		1,066.19

(a) Disclosure pursuant to Note no.6(A)(d) of part I of Schedule III to the Companies Act, 2013

Particulars	No. of Equity Shares ₹ 10/- Each		No. of Preference Share ₹ 10/- Each	
	31 Mar 2016	31 Mar 2015	31 Mar 2016	31 Mar 2015
Shares outstanding at the beginning of the year	2,931,944	2,352,000	773,000	773,000
Shares Issued during the year	-	579,944	-	-
Shares redeemed / bought back during the year	-	-	-	-
Shares outstanding at the end of the year	2,931,944	2,931,944	773,000	773,000

(b) The details of shareholders holding more than 5% of shares.

Name of Shareholder	As at 31 March 2016		As at 31 March 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Sri Virender Kumar Agarwal	1,206,191	41.14%	1,206,191	41.14%
Seema Rani Agarwal	642,250	21.91%	642,250	21.91%
Mayank Agarwal	270,997	9.24%	270,997	9.24%

(c) Details of Cumulative Redeemable Preference Shares

Nature	Amount ₹	Date of Issue	Date of Redemption
8% Cumulative Redeemable Preference Shares of ₹ 100/- each	55,000,000	15-07-2011	17-07-2023
8% Cumulative Redeemable Preference Shares of ₹ 100/- each	22,300,000	20-03-2012	19-03-2024
Total	77,300,000		

Notes to the Financial Statements

(₹ in Lakhs)

Note 2 Reserves & Surplus:

Particulars	As at 31 March 2016	As at 31 March 2015
a. Securities Premium Account		
At the commencement of the year	358.96	290.79
(+) Addition during the year	-	68.17
Closing Balance	<u>358.96</u>	<u>358.96</u>
b. Investment Subsidy		
At the commencement of the year	30.00	30.00
Closing Balance	<u>30.00</u>	<u>30.00</u>
c. Preference Capital Redemption Reserve		
At the commencement of the year	57.53	57.53
(+) Current Year Transfer	-	-
Closing Balance	<u>57.53</u>	<u>57.53</u>
d. General Reserve		
At the commencement of the year	1,159.49	1,202.25
Less : Arrears of Depreciation	-	(43.26)
(+) Current Year Transfer	0.50	0.50
Closing Balance	<u>1,159.99</u>	<u>1,159.49</u>
e. Profit and Loss Account		
At the commencement of the year	245.39	180.10
Add : Profit for the year	297.08	181.06
Less : Proposed Dividend on Equity Shares	29.32	29.32
Dividend on Equity Shares for Previous Yr	-	4.50
Proposed Dividend on Preference Shares	61.84	61.84
Corporate Dividend Tax	18.56	18.23
Corporate Dividend Tax [Previous Year]	-	1.38
Transfer to General Reserve	0.50	0.50
Closing Balance	<u>432.25</u>	<u>245.39</u>
Grand Total [a+b+c+d+e]	<u>2,038.73</u>	<u>1,851.36</u>

Note 3 Long Term Borrowings :

Secured		
Term loans		
1) State Bank of India		
(a) Term Loan - (Expn-1)	929.94	1,130.00
(b) Term Loan - (Expn-2)	96.81	
Total	<u>1,026.75</u>	<u>1,130.00</u>
2) Others		
Aditya Birla Finance Limited	115.66	126.89
Edelweiss Retail Finance Limited	186.48	
Total	<u>302.14</u>	<u>126.89</u>
Grand Total	<u>1,328.89</u>	<u>1,256.89</u>

Notes to the Financial Statements

(₹ in Lakhs)

Appendix:

1. Loans referred above are secured by pari passu first charge on all movable and immovable properties of the Company present and future. The loans further secured by personal guarantees of two promoter Directors of the company and pledge of some shares of the promoter of the company.

Particulars		As at 31 March 2016	As at 31 March 2015
Terms of Repayment :	Sanction Date	Rate of Interest	Quarterly Instalment
1) State Bank of India Term Loan - (Expn-1)24/Jan/13 Term Loan - (Expn-2 for TFO)	12.50%	32	
b) Other loans and advances Vehicle Hire Purchase Loan: 1) from HDFC Bank Limited 2) from ICICI Bank Limited Total		17.51 55.24 <u>72.75</u>	25.34 <u>25.34</u>
c) Unsecured Other Long Term Borrowings (I) Loans and advances from related parties Unsecured Loan from Directors Unsecured Loan from Corporate Bodies Total Total [a+b+c]		197.14 478.68 <u>675.82</u> <u>2,077.46</u>	292.06 140.00 <u>432.06</u> <u>1,714.29</u>

Note 4 Long Term Provisions :

a) Provision for employee benefits Gratuity (unfunded) Leave Encashment (unfunded) Total	272.96 38.13 <u>311.09</u>	241.80 32.78 <u>274.58</u>
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Note 5 Short Term Borrowings :

a) Secured Loans repayable on demand from banks Cash Credit Account I) State Bank of India II) Axis Bank Limited Total	1,282.06 331.32 <u>1,613.38</u>	1,122.24 161.25 <u>1,283.49</u>
--	---------------------------------------	---------------------------------------

Working Capital loans from bank referred above are secured by hypothecation of stocks in trade, raw materials, stock-in-process, stores and spares and receivables present and future and by a second charge on the present and future movable & immovable properties of the Company on pari-passu basis. The loans further secured by personal guarantees of two Promotor Directors of the Company.

Notes to the Financial Statements

(₹ in Lakhs)

Particulars	As at 31 March 2016	As at 31 March 2015
b) Un Secured		
1) Loans from Directors	675.83	432.06
Total	675.83	432.06
Total [a+b]	2,289.21	1,715.55

Note 6 Trade Payables :

a) Sundry Creditors		
- Due to Micro, Small and Medium Enterprises	3.50	3.20
- Others	520.12	257.21
Total	523.62	260.41

Note 7 Other Current Liabilities :

a) Current maturities of long-term debt-		
- Term Loan from Bank		
1) State Bank of India		
a) Term Loan - (Expn-1)	160.00	160.00
b) Term Loan - (Expn-2 for TFO)	-	-
	<u>160.00</u>	<u>160.00</u>
Advances received against sales	43.23	-
Unclaimed dividends	13.56	13.14
Vehicle Hire Purchase Loan	17.60	13.20
Sundry Creditors for : Expenses	228.38	241.44
Others	1.38	1.08
Other payables - Statutory dues	10.80	4.68
	<u>314.95</u>	<u>273.54</u>
Total	474.95	433.54

Note 8 Short Term Provisions:

a) Provision for employee benefits		
Salary & Wages	120.10	60.02
Contribution to PF & ESI	18.74	15.96
Bonus Payable	49.87	31.83
b) Others (Specify nature)		
Provision for Income Tax (Net)	65.55	1.39
Proposed Equity Shares dividend	29.32	29.32
Proposed Preference Shares dividend	61.84	61.84
Corporate Dividend Tax	18.56	18.23
Total	363.98	218.59


SURYAAMBA SPINNING MILLS LIMITED
Note 9 Fixed Assets : (Figures in ₹ Lakhs)

Particulars	Gross Block		Accumulated Depreciation			Net Block		
	Balance as at 1 April 2015	Additions	Balance as at 31 Mar 2016	Balance as at 1 April 2015	Additions	Reserve	Balance as at 31 Mar 2016	Balance as at 1 April 2015
a Tangible Assets								
Land	166.71	0.00	166.71	-	-	-	166.71	166.71
Buildings :								
Factory Buildings	1,630.93	(0.00)	1,630.93	382.53	50.31	-	1,198.09	1,248.41
Non-Factory Buildings	916.75	(0.00)	916.75	126.90	14.45	-	775.40	789.85
Plant and Equipment :								
Workshop Equipment	3.19	0.00	3.19	2.81	0.01	-	0.37	0.38
Plant and Machinery	4,560.21	611.92	5,172.13	2,271.88	242.73	-	2,657.52	2,288.33
Testing Equipment	18.75	0.00	18.75	8.38	0.60	-	9.77	10.37
Electrical Installations	386.10	0.00	386.10	236.51	23.46	-	259.97	149.59
Weighing Machines	4.41	0.00	4.41	2.72	0.08	-	1.61	1.69
Water Works	7.12	(0.00)	7.12	2.20	0.37	-	4.55	4.93
Furniture and Fixtures	54.22	4.30	58.52	31.59	3.19	-	23.74	22.63
Office equipment	29.73	2.43	32.16	21.79	2.39	-	7.98	7.94
Vehicles	144.55	72.00	216.55	61.99	15.98	-	138.58	82.56
Data Processing Equipment	63.30	3.07	66.37	49.36	8.42	-	8.59	13.94
Total	7,985.96	693.73	8,679.69	3,198.65	362.00	-	3,560.65	4,787.32
b Add :Capital Work In Progress	-	165.78	165.78	-	-	-	165.78	-
	7,985.96	859.51	8,845.47	3,198.65	362.00	-	3,560.65	4,787.32
c Less :Internal Transfer		-	-	-	-	-	-	-
Total	7,985.96	859.51	8,845.47	3,198.65	362.00	-	3,560.65	4,787.32
Previous Year	7,382.44	603.53	7,985.97	2,798.63	356.76	41.53	-	4,789.05

Notes to the Financial Statements

(₹ in Lakhs)

Particulars	As at March 2016	As at 31 March 2015
Note 10 Long Term Loans and Advances :		
a. Deposits Recoverable	3.07	105.38
(Unsecured considered good)		
(Telephone, MSEDCL & Other deposits)		
Total	<u>3.07</u>	<u>105.38</u>

Note 11 Inventories :

(Valued and certified by the Management)		
a) Raw Materials	386.62	244.52
(Valued at cost on weighted average basis)		
b) Stores and spares	120.22	91.44
(Valued at cost on weighted average basis)		
c) Finished goods	248.20	286.15
(Valued at lower of cost or net realisable value basis)		
d) Work-in-Process	358.93	223.83
(Valued at lower of cost or net realisable value basis)		
e) Waste (at realisable value)	0.35	0.15
Total	<u>1,114.32</u>	<u>846.09</u>
Details of Raw Materials Stock		
Polyester Staple Fibre	354.12	231.58
Viscose Staple Fibre	32.50	12.94
Total	<u>386.62</u>	<u>244.52</u>

Note 12 Trade Receivables :

Receivables for a period exceeding six months (Unsecured and considered goods)	1,264.37	975.10
Total	<u>1,264.37</u>	<u>975.10</u>

Note 13 Cash And Cash Equivalents :

a) Cash on hand	2.07	1.42
b) Balances with Banks		
With Scheduled Banks	4.36	1.84
c) Balance with Banks in unclaimed dividend	13.56	13.14
d) Fixed Deposits	62.37	35.75
Total	<u>82.36</u>	<u>52.15</u>

Notes to the Financial Statements

(₹ in Lakhs)

Fixed Deposits with State Bank Of India amt to ₹ 29.92 lakh and with Axis Bank Ltd. Amt to ₹ 18.05 lakh are being kept for various Bank Guarantees given to Government authorities.

Note 14 Short-term loans and advances :

Particulars	As at March 2016	As at 31 31 March 2015
(Unsecured considered good)		
a) Advances for Capital purchases	66.05	75.78
b) Advances for purchases of Stores	32.54	17.44
c) Advances for Raw Material	1.68	0.39
d) Advances to Staff	4.75	9.47
e) MAT Credit Entitlement	194.18	182.83
f) Deposit With MSEB / Global Energy	150.51	-
Total	449.71	285.91

Note 15 Other Current Assets :

Incentives Receivables	488.37	237.12
Prepaid expenses	47.90	11.37
VAT Receivable	127.71	148.07
Balance With Central Excise Department	28.03	10.50
Accrued interest	16.97	14.31
Deferred Revenue Expenditure	0.46	0.93
Total	709.44	422.30

Note 16 Sale of Products :

Yarn	14,819.66	14,653.03
Waste	7.41	6.92
Total	14,827.07	14,659.95

Note 17 Other Income:

Interest Income	18.79	20.09
Export Benefit entitlement	283.76	228.14
Duty Draw Back Received	65.90	0.61
Scrap Sales	1.20	1.19
Miscellaneous Income	4.56	6.50
Gain / (Loss) on Forex	15.35	-
Credit Balance written Back	25.92	-
Total	415.48	256.53

Notes to the Financial Statements

(₹ in Lakhs)

Note 18 Raw Material Consumed :

Particulars	Current Year	Previous Year		
Opening Stocks	244.52	343.68		
Add : Purchases	9,594.73	9,993.19		
	9,839.25	10,336.87		
Less : Closing Stocks	386.62	244.52		
Cost of Raw Materials Consumed	<u>9,452.63</u>	<u>10,092.35</u>		
Imported and Indigenous Raw Materials consumed				
	%	₹ in Lakhs	%	₹ in Lakhs
Indigenous	100.00%	9,452.63	100.00%	10,092.35
Imported	-	-	-	-
Total	100.00%	9,452.63	100.00%	10,092.35
Details of Raw Material Consumed :				
Polyester Staple Fibre		9,339.07		10,050.21
Viscose Staple Fibre		113.56		42.14
Total		<u>9,452.63</u>		<u>10,092.35</u>

Note 19 Changes in inventories of Finished Goods, work-in-progress and stock-in-trade:

(Increase)/Decrease In Stocks		
Opening Stocks :		
Yarn	286.15	183.11
Stock-in-process	223.83	173.54
Waste	0.15	0.10
Total	510.13	356.75
Closing Stocks :		
Yarn	248.19	286.15
Stock-in-process	358.93	223.83
Waste	0.35	0.15
Total	607.47	510.13
(INCREASE)/DECREASE IN STOCKS	<u>(97.34)</u>	<u>(153.38)</u>

Note 20 Employee Benefits Expense :

a) Salaries ,Incentives and Bonus	1,333.48	1,107.60
b) Contributions to Provident Fund	97.14	89.20
c) Staff welfare expenses	62.33	63.02
d) Gratuity	32.16	30.03
Total	<u>1,525.11</u>	<u>1,289.84</u>

Notes to the Financial Statements

(₹ in Lakhs)

Note 21 Finance Cost :

Particulars	Current Year	Previous Year
Interest on term loan	183.11	223.58
Interest on others	300.94	217.70
Bank charges	28.30	20.92
Total	512.35	462.20

Note 22 Depreciation and Amortisation expense:

Depreciation	362.00	356.75
Amortisation expense	0.46	0.46
Total	362.46	357.21

Note 23 Other Expenses :

Stores consumed:		
Stores and Spares	245.19	295.63
Packing Materials	220.50	177.91
Power & Fuel	1,474.93	1,322.48
Repairs to:		
Buildings	29.60	20.73
Machinery	20.72	5.54
Others	7.08	10.20
Sales Expenses:		
Sales Tax	388.86	419.45
Commission & Discount On Sales	180.88	85.71
Freight & Others - Domestic Sales	41.15	22.84
Freight & Others - Export Sales	107.32	3.07
Job Work Charges	53.88	5.57
Payment to the Auditors :		
As Auditors	1.43	1.01
for Tax Audit	0.29	0.22
for Certification	0.14	-
for Cost Auditors	0.45	0.44
Rent	20.01	17.98
Rates & Taxes	13.68	11.37
Printing & Stationery	4.22	0.96
Postage, Telegrams & Telephones	11.63	6.35
Travelling & Conveyance	34.52	25.86
Insurance	9.12	3.46
Managerial remuneration	73.53	73.53
Directors Sitting Fees	0.86	-

Notes to the Financial Statements

(₹ in Lakhs)

Particulars	Current Year		Previous Year	
Vehicle Maintenance	27.01		21.42	
Office Expenses	1.97		1.53	
Miscellaneous Expenses	28.14		21.33	
Bad debts and Debit Balances written off	(0.16)		0.02	
Business Promotion Expenses	20.46		20.16	
Total	3,037.47		2,591.34	
Imported and Indigenous Stores & Spare parts consumed				
	%	₹ Lakh	%	₹ Lakh
Indigenous	96.33%	448.61	100.00%	473.55
Imported	3.67%	17.08	-	-
Total	100.00%	465.69	100.00%	473.55

Note 24 Contingent Liabilities:

a) Contingent liabilities not provided for on account of:				
a) Bank Guarantees	111.00		14.87	
b) Inland LC'S	26.60		93.97	
c) Import LC'S to be executed on TFO project	350.00		-	
Total	487.60		108.84	
b) Earnings in Foreign Exchange FOB Value of Exports:				
	2,037.20		27.55	
c) Expenditure in Foreign Currency during the year on account of:				
a) Commission on Export Sales	2.17		-	
b) Foreign Travel (Excluding tickets purchased in India)	-		-	
Total	2.17		-	
d) Value of Imports calculated on CIF basis in respect of :				
a) Plant and Machinery - Imported [CIF Value]	-		-	
b) Raw Materials [CIF Value]	-		-	
c) Stores and Spares [CIF Value]	17.08		-	
Total	17.08		-	
e) Composition of Net Deferred Tax Liability:				
a) Deferred Tax Liability				
Depreciation	558.04		518.98	
Total (a)	558.04		518.98	
b) Deferred Tax Assets	119.35		88.78	
Employee Benefits				
Unabsorbed Losses	-		58.40	
Total (b)	119.35		147.18	
Deferred Tax Liability (a-b)	438.69		371.80	

Notes to the Financial Statements

(₹ in Lakhs)

Particulars	Current Year	Previous Year
f) Basic Earnings Per Share as per Accounting Standard No. 29 :		
Profit after Tax	297.08	181.06
Less : Dividend on Preference Share Capital with Corporate Dividend tax thereon	74.43	74.20
Profit attributable to Equity Shareholders	222.65	106.86
No. of Equity Shares (Face Value ₹.10/-each)	2,931,944	2,931,944
Weighted Average no. of Shares	2,931,944	2,931,944
Basic Earning per Share	₹ 7.59	₹ 3.64
Diluted Earning per Share	₹ 7.59	₹ 3.64

g) Related party disclosure:

Related party disclosure as required by AS-18 are given under:

I) Transaction during the year [Expenditure]

Name of the Party	Relationship	Nature of Transaction	Current Year 31-Mar-2016	Previous Year 31-Mar-2015
Sri Virender Kumar Agarwal Managing Director	Key Management	a) Remuneration b) Interest (Gross) c) Unsecured Loan Repaid d) Unsecured Loan Received	30.01 - - -	30.01 - - -
Smt. Seema Rani Agarwal Joint Managing Director	Key Management	a) Remuneration b) Interest (Gross) c) Unsecured Loan Repaid d) Rent Paid e) Unsecured Loan Received	24.29 9.93 55.00 0.00 43.20	24.29 7.36 - 14.40 82.00
Sri Mayank Agarwal Executive Director	Key Management	a) Remuneration b) Interest (Gross) c) Unsecured Loan Repaid d) Unsecured Loan Received	19.23 23.04 133.00 115.42	19.23 16.58 - 212.43
Sri Pujit Agarwal	MD's son	a) Remuneration b) Interest (Gross)	16.99 -	- 3.08
Suryalata Spinning Mills Limited,	MD's father is Director	a) Purchase of Yarn b) Sales of Yarn	53.29 (53.29)	- 549.43

Notes to the Financial Statements

(₹ in Lakhs)

II) Payable as at 31-Mar-2016

Name of the party	Relationship	Nature of Transaction	Current Year 31-Mar-2016	Previous Year 31-Mar-2015
Smt. Seema Rani Agarwal Joint Managing Director	Key Management	a) Rent	1.52	1.08

h) Disclosures pursuant to Accounting Standard-15 "Employee Benefit"

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

The following table summarise the components of the net benefit recognized in the profit and loss account and amounts recognized in the Balance Sheet.

I. Table showing changes in present value of obligation

Present value of obligation As at beginning of year	254.21	232.30
Interest Cost	20.17	17.76
Current Service Cost	22.12	19.03
Benefits Paid	(4.16)	(9.69)
Actuarial Gain/Loss on obligation	16.23	(5.19)
Present value of obligation As at end of year	<u>308.58</u>	<u>254.21</u>

II. Table showing changes in the fair value of plan assets

Fair value of plan assets at beginning of the year	12.41	20.53
Expected Return on Plan Assets	1.09	0.48
Employer Contribution	-	-
Benefits Paid	(4.16)	(9.69)
Actuarial Gain/Loss on pan assets	(0.11)	1.09
Fair value of plan assets at the end of the year	<u>9.23</u>	<u>12.41</u>

III. Components of expenses recognized in
Profit and Loss Account

Current Service Cost	22.12	19.03
Interest Cost	20.17	17.76
Expected Return on Plan Assets	(1.09)	(0.48)
Net Actuarial Gain/Loss	(41.21)	(36.31)
Past Service Cost	-	-

Expenses recognized in profit and loss Account

The principal assumption used in determining gratuity and leave benefit obligation in the above plan are as under :

Salary Rise (%)	6	8
Attrituon Rate (%)	4	4
Discount Rate (%)	8	8

Annexure I**Statement of Significant Accounting Policies And Practices****1 SIGNIFICANT ACCOUNTING POLICIES****1. 01 Basis of accounting and preparation of financial statements**

The financial statements of the company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP) to comply with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention. The company generally follows mercantile system of accounting and recognizes significant items of income and expenditure on accrual basis. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year unless otherwise stated.

1. 02 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known / materialize.

1. 03 Fixed assets

Fixed assets are carried at cost less accumulated depreciation. The cost of fixed assets includes interest on borrowings attributable to acquisition of fixed assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date. Subsequent expenditure relating to fixed assets is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

1. 04 Depreciation and amortization

Depreciation on fixed Assets is calculated on a straight line basis using the rates arrived at based on the useful lives estimated by the management or as per the rates prescribed under Schedule II of companies Act 2013 which ever is higher.

1. 05 Inventories

Raw materials, Packing Materials, Stores and Spares are valued at cost net of VAT Credits ascertained on FIFO basis. Work-in-progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity.

1. 06 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following recognition criteria is applied before revenue is recognized:

Annexure I**Statement of Significant Accounting Policies And Practices****Sale of goods**

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on dispatch of the goods. The company collects sales tax and value added tax (VAT) on behalf of the government and therefore, these are not economic benefits flowing to the company hence, they are excluded from revenue during the year.

Interest on bank deposits

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

1. 07 Foreign Currency Transactions

Expenses and Income are recorded at the exchange rate prevailing on the date of transaction. Assets and liabilities on the date of the balance sheet are restated at the exchange rate prevailing on the balance sheet date. Exchange rate differences arising on settlement of the transaction and on account of restatement of assets and liabilities are dealt with in Statement of Profit and Loss.

1.08 Employee Retirement and other benefits

Employees of the company are entitled to retirement benefits of Provident Fund, Gratuity, and Leave encashment.

a) Defined Contribution Plan :

Company's contribution paid/payable during the year to Provident Fund and Labour Welfare Fund are recognized in the Profit and Loss Account.

b) Defined Benefit Plan :**i. Gratuity**

Gratuity is covered under the schemes of State Bank of India Life Insurance Company and premiums for such schemes are recognized in the Profit and Loss Account. At the reporting date, Company's liability towards gratuity is determined by independent actuarial valuation using the "Projected Unit Credit Method" which considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Actuarial gain and losses are recognized immediately in the statement of Profit and Loss Account as income or expense.

ii. Leave Encashment

Liability on account of leave encashment has been provided on the basis of actual liability computed as at the year end.

1.09 Taxes on income

Provision for taxation for the year is based on tax liability computed in accordance with relevant tax rates and tax laws as at the Balance Sheet date. Provision for deferred tax is made for all timing

Annexure I

Statement of Significant Accounting Policies And Practices

differences arising between taxable income and accounting income at the rates that have been enacted or substantively enacted as at the Balance Sheet date. Deferred tax assets are recognised only if there is a reasonable certainty that they will be realised and are reviewed for the appropriateness of their respective carrying value at each Balance Sheet date.

1. 10 Provisions and Contingent liabilities

Provision is recognized when the company has legal/constructive obligation for which it is probable that cash outflow may be required and reliable estimate can be made of the amount of the obligation. Contingent Liabilities not provided for are indicated by way of a Note and will be paid/provided on crystallization of the liability.

1. 11 Earnings per share (EPS) :

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

1. 12 Impairment of Assets :

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generation unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the profit and loss account. If at the balance sheet date there is an indication that if previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

**For S.Venkatadri & Co.,
Chartered Accountants
Firm's Regn No. 004614S**

**(K. SRINIVASA RAO)
PARTNER
M.No. 20147**

**Place : Hyderabad
Date : 30-May-2016**

**For and on behalf of the Board
For Suryaamba Spinning Mills Ltd.**

**Virender Kumar Agarwal
(Managing Director)
(DIN : 00013314)**

**Seema Rani Agarwal
(Jt. Managing Director)
(DIN : 0143026)**

Form No. MGT-11

Proxy form

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

CIN : **L18100TG2007PLC053831**
Name of the company : **SURYAAMBA SPINNING MILLS LIMITED**
Registered office : 1st floor, Suryatowers, 105, S P Road, Secunderabad, Telangana-500 003.
Name of the member (s) :
Registered address :
E-mail 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 :
E-mail Id :
Signature :, or failing him

2. Name :
Address :
E-mail Id :
Signature :, or failing him

3. Name :
Address :
E-mail Id :
Signature :, or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 9th Annual General Meeting of the company to be held on Friday, 5th August, 2016 at 11.30 A.M. at Kamat Lingapur Hotel, 1-10-44/2, Chikoti Gardens, Begumpet, Hyderabad- 500016, and at any adjournment thereof in respect of such resolutions as are indicated below:

SN	Resolution	For	Against
	Ordinary Business :		
1.	To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2016 and the Statement of Profit and Loss Account for the year ended as on that date, along with the Auditors' Report and Directors' Report thereon.		
2.	To declare dividend on 8% Cumulative Redeemable Preference Shares (CRPS) for the financial year ended 31st March, 2016.		
3.	To declare dividend of 10% on Equity Shares for the financial year ended 31st March, 2016.		
4.	To appoint a director in place of Mr. Mayank Agarwal (DIN: 02749089) , who retires by rotation and being eligible offers himself for re-appointment.		
5.	To consider & approve the ratification of appointment of Statutory Auditors of the Company.		
	Special Business		
6.	Appointment of Mr. Sushil Kapadia as an Independent Director.		
7.	To ratify the remuneration of Cost Auditor.		
8.	Ratification of remuneration to the Cost Auditor.		
9.	Creation of charge / mortgage etc. on Company's movable or immovable properties in terms of Section 180 (1) (a) of the Companies Act, 2013.		

Signed of this day of2016

Signature of shareholder

Signature of Proxy holder(s)

Affix 1 ₹
Revenue
Stamp and
Sign Across

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.

For the Resolutions, Explanatory Statement and Notes, Please refer Notice of 9th Annual General Meeting It is optional to put a 'P' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

Please complete all details including details of member(s) in above box before submission.

ATTENDANCE SLIP
9th Annual General Meeting
(CIN : L18100TG2007PLC053831)
SURYAAMBA SPINNING MILLS LIMITED

Registered office : Surya Towers, 1st Floor, 105,
Sardar Patel Road, Telangana- 500 003.
Telephone: 040-27813360,
Email: mail@suryaamba.com
Website: www.suryaamba.com

Date: 5th August, 2016

Venue: Kamat Lingapur Hotel,
1-10-44/2, Chikoti Gardens,
Begumpet, Hyderabad-500016

Time: 11.30 A.M

NAME AND ADDRESS OF THE REGISTERED SHAREHOLDER	D.P. ID Client ID/Folio No.	No. of Shares

I certify that I am a registered shareholder / proxy for the registered shareholder of the Company. I here by record my presence at the 9th Annual General Meeting of the Company at Hyderabad- 500016 on Friday, 5th August, 2016 at 11.30 A.M.

SIGNATURE

Note : Please complete this and hand it over at the entrance of the hall.

----- TEAR HERE -----

