

**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. Pundlik Sampatrao Thakare | Chairman & Independent Director |
| 5. Mr. Amit Goela                | Independent Director            |
| 6. Mr. Manish Kumar Gupta        | 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,  
Somajiguda, Hyderabad.

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 18th September, 2015 to 25th September, 2015 (Both days inclusive).

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**COMMITTEES OF THE BOARD**
**AUDIT COMMITTEE**

- |                                  |          |
|----------------------------------|----------|
| 1. Mr. Pundlik Sampatrao Thakare | Chairman |
| 2. Mr. Amit Goela                | Member   |
| 3. Smt. Seema Rani Agarwal       | Member   |

**STAKEHOLDERS RELATIONSHIP COMMITTEE**

- |                                  |          |
|----------------------------------|----------|
| 1. Mr. Pundlik Sampatrao Thakare | Chairman |
| 2. Mr. Amit Goela                | Member   |
| 3. Smt. Seema Rani Agarwal       | Member   |

**NOMINATION & REMUNERATION COMMITTEE**

- |                                  |          |
|----------------------------------|----------|
| 1. Mr. Pundlik Sampatrao Thakare | Chairman |
| 2. Mr. Amit Goela                | Member   |
| 3. Mr. Manish Kumar Gupta        | 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 Demat A/c or send the same to the Company via e-mail at: [mail@suryaamba.com](mailto: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 8th Annual General Meeting of the members of M/s. Suryaamba Spinning Mills Limited will be held on 25th September, 2015 at 04.00 P.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 2015 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, 2015.
3. To declare dividend on Equity Shares for the financial year ended 31st March, 2015.
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 reappointment

**5. To consider and approve the re-appointment of Statutory 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 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 hold office from the conclusion of this 8th 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. To consider and if thought fit to pass with or without modification (s) the following resolution as a 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. Manish Kumar Gupta, (DIN 07096129), who was appointed as an additional director of the Company in the Board Meeting held on 14th February, 2015 and whose office ceases at the commencement of this Eighth (08) 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 who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from 25th September, 2015 to 24th September, 2020.

**7. To Consider and if thought fit, to pass with or without modification (s), the following resolution as a Special Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198, 203 read



with the Schedule V and other applicable provisions, if any of the Companies Act, 2013 (including any statutory modifications or re-enactment(s) thereof for the time being in force, the consent of the members be and are hereby accorded to approve and ratify the appointment of Shri Mayank Agarwal as the Whole Time Director of the Company for a further period of 5(Five) years with effect from 01st August, 2015 to 31st July, 2020 and at such remuneration perquisites and benefits for a period of three years from the date of re-appointment i.e., upto 31st July, 2018 on the following terms and conditions and the details as set out in the explanatory statement annexed:

- a) **Salary:** ₹ 95,000/- per month
- b) **Commission :** At the rate of 2% of the net profits the company or 50% of the Annual salary whichever is less.
- c) **Perquisites :** In addition to the salary and commission as stated above Shri Mayank Agarwal, Whole Time Director shall be entitled to the following perquisites :-

**Category A:**

- a) **Housing:** Rent free furnished residential accommodation with all facilities and amenities including such service as gas, electricity, water etc, or HRA to the extent of 50% of salary.
- b) **Medical Reimbursement:** Expenses incurred for self and his family subject to a ceiling of one month's salary per year or three months salary in a period of 3 years.
- c) **Leave Travel Concession:** For self and family once in a year incurred in accordance with the rules of the company.
- d) **Personal Accident insurance:** Personal Accident Insurance of an amount the premium of which not to exceed ₹ 4000/- per month.

**Category B:**

- a) Contribution by the company to the Provident Fund, Superannuation Fund or Annuity Fund as per the rules of the Company.
- b) Payment of Gratuity subject to an amount equal to half a month's salary for each completed year of service.

**Category C:**

The company shall provide a Car with driver and telephone at the residence. Car for use on company's business and telephone and other communication facilities at residence will not be considered as perquisites.

**“RESOLVED FURTHER THAT** in the absence of or inadequacy of profits in any financial year during his tenure of office, the above remuneration will be allowed as a minimum remuneration to Shri Mayank Agarwal subject to the provisions of Section II of Part II of Schedule V of the Companies Act, 2013”.

**8. 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, 2016,  
be and is hereby approved and ratified”.

9. **To consider and, if thought fit, to pass with or without modification, if any, the following resolution as a Special Resolution:**

**"RESOLVED THAT** pursuant to Section 94 and other applicable provisions, if any, of the Companies Act, 2013, the Company hereby approves that the Register of Members, the Index of Members and copies of Annual Return along with copies of Certificates and documents or any or more of them, required to be annexed thereto under Section 88 & 92 of the said Act, be kept at the office of the Company's Registrar and Transfer Agents, M/s. Karvy Computer share Private Limited, Karvy Selenium Tower B, Plot No:31 & 32, Gachibowli, Financial District, Serilingampally, Nankramguda, Hyderabad - 500 032 with effect from 1st April, 2015 instead of being kept at the Registered Office of the Company.

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

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

**Place : Nagpur  
Date : 28-August-2015**



**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 9
4. The Registers of Members and Share transfer books will remain closed from Friday, 18th September, 2015 to Friday, 25th September, 2015 (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, Dividend for the financial year ended 2007-2008 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. 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

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., October 25th, 2015, to those members whose names shall appear on the Company's Register of Members on Friday, 18th September, 2015; 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 Clause 49 of the Listing Agreement entered with the stock Exchange are annexed thereto.
12. Members may note that the Notice of the 8th Annual General Meeting (AGM), the Annual report for the F.Y 2014-15, 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](http://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 8th 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 8th 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 cut-off date (i.e. Record date) 18th September, 2015.





## SURYAAMBA SPINNING MILLS LIMITED

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

- a. Commencement of e-voting: **From 22-09-2015 9.00 A.M To 24-09-2015 5.00 P.M.**
- b. E-voting shall not be allowed beyond **5.00 pm on 24th September, 2015**. During the e-voting period, Shareholders of the Company holding shares either in physical form or in dematerialized form, as on **18th September, 2015**, 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 Shri R Ramakrishna Gupta, Practicing Company Secretary, Partner at R & A Associates, Company Secretaries Hyderabad. (Membership No: FCS 5523) as Scrutinizer for conducting the e-voting process for the Annual

General Meeting in a fair and transparent manner.

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

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

**Place : Nagpur  
Date : 28-August-2015**

**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](mailto:mail@suryaamba.com)  
Website: [www.suryaamba.com](http://www.suryaamba.com)



### **Explanatory Statement**

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

**Item No.6: Appointment of Mr. Manish Kumar as an Independent Director.**

Mr. Manish Kumar (DIN- 07096129) was appointed as an Additional Director of the Company with effect from 14th February, 2015, pursuant to Section 161 of the Companies Act, 2013. Mr. Manish Kumar (DIN- 07096129) holds office as 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 of ₹ 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 provisions of clause 49 of the Listing Agreement entered with the stock exchange appointed Shri Manish Kumar, as non-executive independent director, in compliance with the requirement of the clause.

As Mr Manish Kumar, 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 Manish Kumar (DIN- 07096129) 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: Re-appointment of Mr. Mayank Agarwal as Whole-time Director of the Company**

At the annual general meeting held on 11-09-2013, Mr. Mayank Agarwal was appointed as Whole-time Director of the Company for a period commencing from 1st August, 2012 to 31st July, 2015 on the terms and conditions as approved by the shareholders at the said annual general meeting.

He is the promoter director of the Company and he has been working with complete dedication, hard work and effective leadership resulted into profitable growth of the Company's operations.

In times of slow down of the business, the company has always kept its spirit high both in words and action due to the untiring efforts of Shri Mayank Agarwal, Whole Time Director of the Company.

The Board reviewed the performance achieved by the Company under his leadership and appreciated the same. Further in order to avail his uninterrupted services for the growth of the company, and upon the recommendations made by the Nomination and Remuneration Committee, the board has proposed to reappoint him as the Whole Time Director of the Company for a further period of 5 years w.e.f 1st August, 2015 to 31st July, 2020 on the same terms and conditions as mentioned in the resolution.

Pursuant to section 196 of the Companies Act, 2013 re-appointment of the director can be made upto a period of one year before expiry of his term.

The re-appointment of Mr Mayank Agarwal as the Whole Time Director of the Company requires the approval of Members in General Meeting by way of Special Resolution pursuant to Section 196 of the Companies Act, 2013.

**Additional Disclosure about the appointee as per Schedule V of the Companies Act, 2013:**
**I General Information**
**A) Nature of industry**

Suryaamba Spinning Mills is basically into the manufacturing of Synthetic blended yarns of Polyester Viscose. Currently Company has one ISO certified manufacturing unit with a total capacity of 37,584 spindles. Indian textile Industry is one of the leading textile industries in the world.

**B) Date or expected date of commencement of commercial production**

Commercial Operations of the Company have started during the year 2007.

**C) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:**

Not Applicable

**D) Financial performance based on given indicators:**

Performances of the Company for the last three years are as follows: (₹ in Lakhs)

Item	2013-14 (12 months ended on 31st Mar, 2014)	2012-13 (12 months ended on 31st Mar,2013)	2011-12 (12 month ended on 31st Mar,2012)
Income from Operations(Gross)	15,836.68	13,518.98	10,223.50
Profit / (Loss) Before Interest, Depreciation & tax	1,069.58	1,050.80	(44.45)
Profit / (Loss) after Tax	214.39	207.28	(605.70)

**E) Export performance and net foreign exchange earnings**

Export performance of the Company for the last three years is as follows: (₹ in Lakhs)

Item	2013-14	2012-13	2011-12
FOB value of goods exported	91.66	Nil	110.89

**F) Foreign investments or collaborators, if any.**

At present the Company does not have any investment or Collaboration with any individual or Body Corporate.

**II Information about the appointee:**
**A) Background details**

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. He has also having hands of exposure on the Maintenance, Production and Quality Assurance and Marketing sectors.

**B) Past Remuneration**

The details of past remuneration are given below.

Particulars of remuneration paid during the financial year 2013-2014

Year	Salary	Perquisites	Total
2013-14	1,140,000	782,736	1,922,736
2012-13	1,140,000	782,736	1,922,736
2011-12	955,800	656,256	1,612,056

**C) Recognition or awards:** NIL

**D) Job profile and his suitability:**

The Whole Time Director shall devote his whole time and attention to the business of the Company and carry out such duties as may be entrusted to him by the Board of Directors from time to time and separately communicated to him and such powers as may be assigned to him, subject to superintendence, control and directions of the Board in connection with and in the best interests of the business of the Company.

**E) Remuneration proposed:**

The remunerations proposed to Mr. Mayank Agarwal is same as before.

**F) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin):**

Compared to the remuneration profile with respect to industry, size of the Company, profile of the position and person Mr. Mayank Agarwal is entitled for the above remuneration.

**G) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:**

Except Mr Virender Kumar Agarwal, Managing Director (DIN: 00013314) and Ms. Seema Rani Agarwal, Joint Managing Director, (DIN: 01430206) of the Company, and himself, none of the others have any pecuniary relationship directly or indirectly with the Company.

**III Other information:**

**A) Reasons for loss or inadequate profits**

The Company has significantly expanded its Textile business and the Segment has normally a long gestation period. Textile Sector suffered a major setback due to fall in price margins and increase in the cost of raw material and hence Company could not perform well.

**B) Steps taken or proposed to be taken for improvement**

In tune with the changing trend, the Company has already further expanded its production capacity to meet the growing demands in the market.

**C) Expected increase in productivity and profits in measurable terms**

Company is poised to increase high turnover and profitability in the coming years.

**Board of Directors recommends the resolution for your approval.**

None of the Directors of the Company except Mr. Mayank Agarwal, Whole time Director (himself), Mr. Virender Kumar Agarwal, Managing Director, (himself) Ms. Seema Rani Agarwal, Joint Managing



Director and being his relatives are interested in the said resolution.

**IV Disclosures**

The disclosures in respect of remuneration package and other details of all the Directors are given with the financial statements of the Company

**Item No. 8: 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 F.Y 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. 9 Change of Address of RTA**

The Company's Register of Members and other records may be kept at Company's Registrar and Transfer Agent viz. M/s. Karvy Computershare Private Limited, Plot No: 17-24, Vittal Rao Nagar, Madhapur, Hyderabad - 500 081 instead of keeping the same at the Registered office of the Company. Now the Company' Registrar and Transfer Agent, M/s. Karvy Computershare Private Limited has shifted from the above address to Karvy Selenium Tower B, Plot No: 31-32, Gachibowli, Financial District, Nankramguda, Hyderabad - 500 032. The approval of the Members is required U/s. 94 of the Companies Act, 2013 for keeping the above records at the new location M/s. Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot No: 31-32, Gachibowli, Financial District, Nankramguda, Hyderabad-500032.

The Board recommends the Resolution No: 9 for your approval.

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

**Place: Nagpur**  
**Date: 28-August-2015**

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

**Corporate Identification Number:**  
L18100TG2007PLC053831

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

**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

**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 :

<b>1. Name</b>	-	<b>Mr. Manish Kumar (DIN: 07096129)</b>
Age	-	45 years
Qualification	-	B.Com
Expertise	-	Mr. Manish Kumar Gupta is a owner of Balaji Jewellers at Hyderabad. He is the family jeweller of nizam's. He has a vast experience in the field of Finance.
Other Directorships:	-	Nil
Shareholding in the Company	-	Nil

<b>2. Name</b>	-	<b>Mayank Agarwal (DIN: 02749089)</b>
Age	-	25 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
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 8th Annual Report on the Business and operations together with Audited Annual accounts of your Company for the financial year ended 31st March, 2015.

**Financial Results:**

(₹ in Lakhs)

S. No	Particulars	2014-15	2013-14
1	Sales and other Income	14,916.48	15,836.68
2	Profit Before interest and Depreciation	1,096.33	1,069.58
3	Interest and Finance Charges	462.20	459.27
4	Depreciation	357.21	276.46
5	Profit after Interest and Depreciation	276.92	333.85
	<b>Provision for Taxation:</b>		
6	(a) Current Tax	57.44	72.79
7	(b) Deferred Tax	79.78	182.94
8	(c) MAT Credit Entitlement	(41.36)	(136.27)
9	Balance of Profit (or Loss)	181.06	214.39
	<b>Appropriations</b>		
10	Transfer to General Reserve	0.50	0.50
11	Dividend on Equity Share	33.82	24.82
12	Dividend on Preference Share	61.84	61.84
13	Dividend Tax	19.61	14.73
14	Surplus carried over to Balance Sheet	245.39	180.10

**Operations:**

Your Company's Revenue at ₹ 14916.48 Lakhs (as against ₹ 15836.68 Lakhs in FY 2013-14), registering decrease of 6% over the previous year. Profit before depreciation, interest and taxes stood at ₹ 1096.33 Lakhs (as against ₹ 1069.58 Lakhs in FY 2013-14). Net profit attributable to the shareholders at ₹ 181.06 Lakhs as against ₹ 214.39 Lakhs in FY 2013-14. During the year textile industry has recovered from earlier years' recessionary and performed well on an average.

**Exports:**

The export turnover including merchant export of your company during the year was ₹ 2060.81 Lakhs (as against ₹ 1864.56 Lakhs, registering a 10% increase over the previous year. Your Company has been exporting yarn to various countries like Brazil, USA, Singapore, Argentina, Portugal and continue to explore new markets to improve performance. This trend of increase in exports expecting to continue in the coming years.



**Future Outlook:**

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 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 stock and debt as our main source of funding for our future growth plans. Last but not the least, your company believes 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. 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.

**Expansion Plan & Capital Expenditure:**

The company aims to increase spindle capacity by 6,048 spindles with a capital expenditure of 17 cr and plans to complete the expansion within 6 months. 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, 2015 and the date of Board' Report.

**3. CHANGE IN THE NATURE OF BUSINESS, IF AN**

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, 2015. The dividend will absorb a sum of ₹ 29, 32 lakhs .The Corporate dividend tax levied will be ₹ 18.23 lakhs.

**5. TRANSFER TO RESERVES**

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





**6. BOARD MEETINGS**

Eight Board Meetings were held during the year on 30th May 2014, 5th June, 2014, 4th July 2014, 14th August 2014, 8th November 2014, 13th December 2015, 31st December 2015 and 14th February 2015. 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 him-self for re-appointment. The Board recommends his re appointment.

**Appointment**

The Boards of Directors has appointed Mr. Manish Kumar as additional director of the company at their meeting held on 14th Feb, 2015.

**Re-appointment**

During the year under review, the members in the 7th Annual General Meeting held on 9th August 2014 approved the appointment of Mr. Pundlik Sampatrao Thakre (DIN: 02066290) and Mr. Amit Goela (DIN: 01754804), Non-Executive Director as Independent Directors as per the provisions of section 149 sub-section (10) who are not liable to retire by rotation with effect from 9th August 2014 to 8th August, 2019.

The members have also re-appointed Mr. Virender Kumar Agarwal as the Managing Director and Ms. Seema Rani Agarwal as Joint Managing Director with effect from 1st March, 2014 for a period of 3 (Three) years i.e., till 8th August, 2017.

**Resignation**

During the year under review Mr. Pujit Agarwal has been resigned from his directorship of

the Company from 4th July 2014.

**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 sub-section (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 Clause 49 of the Listing Agreement with the Stock Exchanges.

**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 2014-15 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](http://www.suryaamba.com)

**10. CHANGES IN SHARE CAPITAL**

During the year under review, your company has made an issue & allotment of 4,49,944 Equity shares of face value of ₹ 10/- each on as fully paid up pursuant to the conversion of warrants allotted on 6th March, 2013 at a premium of ₹ 15.15/- each to the promoters of the Company. Consequently the paid up equity share capital of the Company has increased from ₹ 10,21,20,000 to ₹ 10,66,19,000.



## **11. COMPOSITION OF COMMITTEES**

### **Audit Committee**

The audit committee comprises Mr. Pundlik Sampatrao Thakare (Chairman), Mr. Amit Goela, Ms. Seema Rani Agarwal 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. Pndalik Sampatrao Thakare (Chairman), Mr. Amit Goela and Ms. Seema Rani Agarwal as other members.

### **Nomination & remuneration Committee**

The Stakeholders relationship committee comprises Mr. Pndalik Sampatrao Thakare (Chairman), Mr. Amit Goela and Mr. Manish Kumar as other members.

### **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 or 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 safe-guards 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.

## **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, 2015 the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year 31st March, 2015 and of the loss of the company for that period;
- c. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d. the directors had prepared the annual accounts for the period ended 31st March, 2015 on a going concern basis.



- e. the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.
- f. the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**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 MGT 9 as a part of this Annual Report is in ANNEXURE I.

**16. 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 2015-16, 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. Further please note that pursuant to the Companies (Cost Records & Audit) Rules, 2014, the appointment of Cost Auditor for the Financial Year 2014-15 was not applicable to the Company.

**Secretarial Auditor**

The Board has appointed Ms. Megha Bhaiya Mohunta, Practising Company Secretary, to conduct Secretarial Audit of the Company for the financial year ended 31st March, 2015 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 Director of the Company appointed Ms Megha Bhaiya, Practising Company Secretary to conduct the Secretarial Audit Rreport for the financial year ended March 31, 2015 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 & the Memorandum and Articles of the Company.

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

As regard to para VI of the Secretarial Audit Report the company has adequate system in place in the company for the Compliance of other laws, however the Company is in the process of filing various forms as pointed out in the Secretarial Audit Report. As regards non-compliances mentioned in point nos. (ii) 1, (ii) 5 and (ii) 7, the company is in the process of compliance in current period and will take due care that these non-compliances will not arise in future.

As regard to Para (ii) 2, (ii) 3, (ii) 4 & (ii) 6, the company has already complied before completion of this Secretarial Audit

As regard to Para (ii) 8, the company is has already took necessary steps to resolve investor's complaints but due to final approval by investors of action taken Company, the complaints are still pending. The Company is taking necessary steps to redress the grievances of investors.

Board is taking necessary steps to comply with all the applicable laws, rules and regulations and will incorporate adequate systems and processes in the company to ensure completion of compliance in future.

The secretarial audit Report for the Financial Year ended 31st March 2015 is annexed to the Board Report

**17. 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.

**18. 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.

**19. 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.

**20. 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, 2015 to the date of signing of the Director's Report



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

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

**22. 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.

**23. 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 travellers near to the factory premises

**24. FORMAL ANNUAL EVALUATION**

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.

**25. 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.

**26. MECHANISM FOR BOARD EVALUATION**

Clause 49 of the Listing Agreement 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. 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.

**27. DISCLOSURE ABOUT COST AUDIT**

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 2015-16, 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. Further please note that pursuant to the Companies (Cost Records & Audit) Rules, 2014, the appointment of Cost Auditor for the Financial Year 2014-15 was not applicable to the Company.

**28. 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 Act. In terms of the provisions of Rule (5) (2) of the Companies (Appointment And Remuneration Of Managerial Personnel) Rules, 2014

**29. 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 Clause 49 of

the Listing Agreement with the Stock Exchanges, forms part of this Report

**30. 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.

**31. SECRETARIAL STANDARDS**

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

**ACKNOWLEDGMENT**

The Board of Directors 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 : 28-August-2015**



**ANNEXURE INDEX**

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





**FORM NO. MGT - 9**  
**EXTRACT OF ANNUAL RETURN**  
as on the financial year ended 31-March-2015

[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 detail	1ST Floor, Suryatowers, 105, S P Road, Secunderabad, Telangana Tel. No. 040-27819960, Fax: 0712-2591410 E-mail: mail@suryaamba.com
vi)	Whether listed company Yes / No	Yes
vii)	Name, address and contact details of Registrar and Transfer Agent, if any	Karvy Computershare Private Limite Karvy Selenium Tower B, Plot No 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032, Telangana

**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
<b>NONE</b>					

**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	
<b>A. Promoters</b>									
<b>1) Indian</b>									
a) Individual/HUF	1,542,092	144,740	1,686,832	67.96	2,122,036	14,740	2,136,776	72.88	4.92
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other....	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A) (1):</b>	<b>1,542,092</b>	<b>144,740</b>	<b>1,686,832</b>	<b>67.96</b>	<b>2,122,036</b>	<b>14,740</b>	<b>2,136,776</b>	<b>72.88</b>	<b>4.92</b>
<b>2) Foreign</b>									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A) (2):</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Share holding of Promoters (A) (1) + (A) (2)</b>	<b>1,542,092</b>	<b>144,740</b>	<b>1,686,832</b>	<b>67.96</b>	<b>2,122,036</b>	<b>14,740</b>	<b>2,136,776</b>	<b>72.88</b>	<b>4.92</b>
<b>B. Public Shareholding</b>									
<b>1) Institutions</b>									
a) Mutual Funds	64	-	64	0.00	64	-	64	0.00	(0.00)
b) Banks / FI	210	660	870	0.04	210	660	870	0.03	(0.01)
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Co.	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-Total (B) (1):</b>	<b>274</b>	<b>660</b>	<b>934</b>	<b>0.04</b>	<b>274</b>	<b>660</b>	<b>934</b>	<b>0.03</b>	<b>(0.01)</b>

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the Year
	Demat	Physical	Total	% of Total Shares of Co	Demat	Physical	Total	% of Total Shares of Co	
<b>2) Non-Institutions</b>									
<b>a) Bodies Corporate</b>									
i) Indian	66,885	1,333	68,218	2.75	25,827	1,333	27,160	0.93	(1.82)
ii) Overseas	-	-	-	-	-	-	-	-	-
<b>b) Individuals</b>									
i) Individual Share holders Holding nominal share capital upto ₹1 lakh	543,343	66,439	609,782	24.57	530,545	65,669	596,214	20.34	(4.23)
ii) Individual Share holders holding nominal share capital in excess of ₹1 lakh	91,947	-	91,947	3.70	159,535	-	159,535	5.44	1.74
<b>c) Others (specify)</b>									
i) NRI	24,283	-	24,283	0.98	11,135	-	11,135	0.38	(0.60)
ii) Clearing members	4	-	4	0.00	190	-	190	0.01	0.01
<b>Sub Total (B) (2):</b>	<b>726,462</b>	<b>67,772</b>	<b>794,234</b>	<b>32.00</b>	<b>727,232</b>	<b>67,002</b>	<b>794,234</b>	<b>27.09</b>	<b>(4.91)</b>
<b>Total Public Share holding (B) (1) + (B) (2)</b>	<b>726,736</b>	<b>68,432</b>	<b>795,168</b>	<b>32.04</b>	<b>727,506</b>	<b>67,662</b>	<b>795,168</b>	<b>27.12</b>	<b>(4.92)</b>
<b>C. Shares held by Custodian for GD ₹ &amp; AD ₹</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>2,268,828</b>	<b>213,172</b>	<b>2,482,000</b>	<b>100.0</b>	<b>2,849,542</b>	<b>82,402</b>	<b>2,931,944</b>	<b>100.0</b>	<b>0.00</b>

**Note:** During the year, the Company allotted 4,49,444 shares to Mr. Virender Kumar Agarwal, Smt. Seema Rani Agarwal and to Mr. Mayank Agarwal and accordingly there was an increase in the share capital.

**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	1,000,191	40.30	21.90	1,206,191	41.14	16.98	0.84
Seema Rani Agarwal	532,250	21.44		642,250	21.91		0.46
Mayank Agarwal	137,053	5.52		270,997	9.24		3.72
Virender Kumar Agarwal (HUF)	14,640	0.59		14,640	0.50		(0.09)
Vithaldas Agarwal	2,498	0.10		2,498	0.09		(0.02)
Mahender Kumar Agarwal	100	0.00		100	0.00		(0.00)
Ravinder Kumar Agarwal	100	0.00		100	0.00		(0.00)
<b>TOTAL</b>	<b>1,686,832</b>	<b>67.96</b>	<b>21.90</b>	<b>2,136,776</b>	<b>72.88</b>	<b>16.98</b>	<b>4.92</b>

**Note:** Difference in shares & % is due to allotment

**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		Allotment on 05th June, 2014	No. of Shares held at the end of the year	
	No. of Shares	% of total Shares	No. of Shares	No. of Shares	% of total Shares
1) Virender Kumar Agarwal	1,000,191	40.30	206,000	1,206,191	41.14
2) Seema Rani Agarwal	532,250	21.44	110,000	642,250	21.91
3) Mayank Agarwal	137,053	5.52	133,944	270,997	9.24
4) Virender Kumar Agarwal [HUF]	14,640	0.59	-	14,640	0.50
5) Vithaldas Agarwal	2,498	0.10	-	2,498	0.09
6) Mahender Kumar Agarwal	100	0.00	-	100	0.00
7) Ravinder Kumar Agarwal	100	0.00	-	100	0.00
<b>Total</b>	<b>1,686,832</b>	<b>67.96</b>	<b>449,944</b>	<b>2,136,776</b>	<b>72.88</b>

**Note:** Difference in shares & % is due to allotment on 5th June, 2014

**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	1.38	34,139	1.16
2) Vinay Kumar	10077075	30,728	1.24	30,728	1.05
3) Anil Kumar	12619244	21,000	0.85	21,000	0.72
4) Vinodchandra M. Parekh	10011221	17,396	0.70	17,396	0.59
5) Shaunak Jagdish Shah	13085762	16,428	0.66	16,428	0.56
6) Jagdish Amritlal Shah	13130985	14,020	0.56	14,020	0.48
7) Bhavsar Usha	1301670000250810	13,431	0.54	13,431	0.46
8) Anuj Shantilal Badjate	1207780000000010	12,393	0.50	12,393	0.42
9) Vidhi Gupta	1203230000320260	10,000	0.40	10,000	0.34
10) G M Surana	20449402	10,000	0.40	10,000	0.34

**v) Shareholding of Directors and Key Managerial Personnel**

Promoter's Name	No. of Shares held at the Beginning of the year		Allotment on 05th June, 2014	No. of Shares held at the end of the year	
	No. of Shares	% of total Shares	No. of Shares	No. of Shares	% of total Shares
1) Virender Kumar Agarwal [Managing Director]	1,000,191	40.30	206,000	1,206,191	41.14
2) Seema Rani Agarwal [Joint Managing Director]	532,250	21.44	110,000	642,250	21.91
3) Mayank Agarwal [Whole Time Director]	137,053	5.52	133,944	270,997	9.24
4) Amit Goela [Independent Director]	-	-	-	-	-
5) Pudalik Sampatrao Tahkare [Independent Director]	-	-	-	-	-
6) Pujit Agarwal [Director-resigned w.e.f. 04/07/2014]	-	-	-	-	-
7) Manish Kumar (appointed from 14/02/2015)	-	-	-	-	-
8) Gajanan Chhawsaria [CFO] [appointed from 14/08/2014]	-	-	-	-	-
<b>Total</b>	<b>1,669,494</b>	<b>67.26</b>	<b>449,944</b>	<b>2,119,438</b>	<b>72.29</b>

**Note:** Difference in shares & % is due to allotment on 5th June, 2014





**B. Remuneration to Other Director:**

(₹ in Lakhs)

Name of the Director	Setting Fees Paid for Board/Committee Meeting	Commission Others, (please specify)
1) Mr. Pundlik Samptrao Thakre	32,000	Nil
2) Mr. Amit Goela	32,000	Nil
3) Mr. Manish Kumar Gupta (Appointed on 14th Feb,2015)	Nil	Nil

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

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

(₹ in Lakhs)

	Gross Salary	Salary [u/s 17 (1) Tax Act 1961]	Perquisite [u/s 17(2) Income Tax Act 1961]	Profit in lieu of Income [u/s 17(3)]	Stock Salary	Sweat Option	Commi Equity	as & Ssionof	Contri- bution to Provi dent fund
Gajanan Chhawsaria [Chief Financial Officer]	5.71	4.44	0.74	-	-	-	-	-	0.53

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

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)
<b>A. COMPANY</b> Penalty Punishment Compounding			NONE		
<b>B. DIRECTORS</b> Penalty Punishment Compounding			NONE		
<b>C. OTHER OFFICERS IN DEFAULT</b> Penalty Punishment Compounding			NONE		



**SURYAAMBA SPINNING MILLS LIMITED**

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

Place : Nagpur  
Date : 28- August-2015

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

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





**ANNEXURE II**

**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	
	2014-15 ₹ in Lakhs	2013-14 ₹ in Lakh	% of increase from Pre Year		Revenue	Net Profit
	Mr. Virender Kumar Agarwal [Managing Director]	30.01	30.01		0.00%	44.18 times
Smt. Seema Rani Agarwal [Joint Managing Director]	24.29	24.29	0.00%	35.75 times	0.0017 times	0.13 times
Mr. Mayank Agarwal [Whole Time Director]	19.23	19.23	0.00%	28.30 times	0.0013 times	0.11 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	
	2014-15 ₹ in Lakhs	2013-14 ₹ in Lakh	% of increase from Pre Year		Revenue	Net Profit
	Mr. Gajanan Chhawsaria [Chief Financial Officer]	5.71	Nil		Nil	08.41 times

**Note:** Mr. Gajanan Chhawsaria was appointed in the FY 2014-15.

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

- The Median Remuneration of Employees (MRE) excluding Whole-time Directors (WTDs) was ₹ 67,934/-
- In the financial year, there was a decrease of 2.87% in the median remuneration employees.
- There are 1129 permanent Employees on the Rolls of the Company as on 31st March, 2015.
- Variations in the market capitalization of the Company:
  - The Market Capitalization as on 31st March, 2015 is ₹.11.14 Crores and on 31st March, 2014 was ₹ 6.38 Crores.
  - Price earnings ratio of the Company as on 31st March, 2015 is 10.35 as against 4.49 as at 31st March, 2014.



## SURYAAMBA SPINNING MILLS LIMITED

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- 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, 2015 is ₹ 38/- representing a 280% 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 : 28-August-2015

**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 31-03-2015**  
**[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

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Suryaamba Spinning Mills Limited (hereinafter called the Company). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Suryaamba Spinning Mills Limited ("The Company") for the financial year ended on 31st March, 2015 and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit at the Registered Office, Corporate Office and Factory of the Company according to the 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") to the extent applicable to the Company :-
  - 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; and
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- vi) We have been informed that there are no loss specifically applicable to the company . There are adequate systems in place in the Company for the compliance of other laws, however the Company has not filed various forms pertaining to applicable Labour Laws.

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

- i) Secretarial Standards with respect to board and general meetings issued by The Institute of Company Secretaries of India were not in force for the period covered under this report.
  - ii) The Listing Agreements entered into by the Company with the BSE Limited.  
During the period under review and as per the representations and clarifications made by the management, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, subject to but not limited to the following major non compliances:
1. The company has not filed the following e-forms required under the provisions of Companies Act 2013 with the Registrar of Companies –
    - a. Returns for appointment of Cost Auditor, Scrutinizer, Managing Director and Joint Managing – Director.
    - b. Registratin of Special Resolutions passed at the previous Annual General Meeting of the Company held on 9th August, 2014.
    - c. Form 5INV for disclosure regarding unpaid and unclaimed dividend as required under Section 124(6) of Companies Act, 2013 and Rule 3 of IEPF Rules, 2012.
    - d. Filing of Form MGT-14 on various occasions.
  2. In many cases the forms were filed with Registrar of Companies beyond the time limit granted by the Companies Act, 2013 however the same should treated as compliance by virtue of payment of Additional Fees.
  3. Reappointment of retiring Directors is not in accordance with provisions of the Act.
  4. The provisions regarding appointment of Key Managerial Personnel are not followed more particularly in case of appointment of Company Secretary.
  5. On apparent perusal of the records we could not find any for compliance of section 180(1) (a)of Companies Act, 2013
  6. There has been delay in filing certain forms/returns/statements with BSE, however the following in particular were filed on 24-August-2015 -



- a. Reconciliation of Share Capital Audit Report for the quarter ended September, 2014.
  - b. Shareholding pattern for September, 2014.
  - c. Form C for compliance of Regulation 13(3) of SEBI (Prohibition of Insider Trading Regulations), 1992.
7. The Company has not submitted Limited Review Report to the Stock Exchange.
8. The Company has received Show Cause and Hearing Notice from SEBI pertaining to nonredressal of investor grievances posted against the Company on SEBI Complaints Redress System (“SCORES”). The Company is taking active steps for resolution and action taken report has been sent for all except two complaints.

I 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 for the major part of the year. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

Decisions at the Board Meeting were taken unanimously.

I further report that based on the information received and records maintained 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.

We further report that during the audit period the Company has following events which had major bearing on Company’s affairs in pursuance of the above referred laws, rules, regulations, guidelines etc.

- i) Allotment of 4,49,944 Equity Shares of Rs.10 each at a premium of Rs.15.15/- each against the conversion of Warrants issued on 6th March, 2013.
- ii) Resignation of Mr. Pujit Agrawal, Non – Executive and Non- Independent Director.
- iii) Appointment of Mr. Manish Kumar (DIN 07096129) as Non- Executive and Independent Director.

**Place : Nagpur**  
**Date : 25-August-2015**

**(Megha Bhaiya)**  
**Company Secretary**  
**ACS No. 20134, CP No. 11328**

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,

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 process 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 process 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. The compliance of applicable Financial Laws, like Direct and Indirect Tax laws, has not been reviewed in this audit since the same have been subject to review by the Statutory Financial Auditors and other designated professionals.
4. Wherever 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 procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**Place : Nagpur**  
**Date : 25-August-2015**

**(Megha Bhaiya)**  
**Company Secretary**  
**ACS No. 20134, CP No. 11328**

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

Energy conservation dictates how efficiently a company can conduct its operations. Your company has recognized the importance of energy conservation in decreasing the deleterious effects of global warming and climate change. The Company has undertaken various energy efficient practices that have reduced the growth in carbon di-oxide (CO<sub>2</sub>) emissions and strengthened the Company's commitment towards an becoming environment friendly organisation.

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.

**iii) The capital investment on energy conservation equipment**

(₹ in Lakhs)

S.No	Particulars	2014-15	2013-14
<b>A)</b>	<b>Power and Fuel Consumption</b>		
<b>1)</b>	<b>Electricity</b>		
	a) Purchased Unit:	21339150	19352042
	Total Amount	1,322.48	1,246.15
	Average Rate:	6.20	6.44
	b) Own Generation:		
	Through Diesel Generators	Nil	Nil
	Units (In Lakhs of KWH)	Nil	Nil
	Units per liter of diesel oil	Nil	Nil
<b>2)</b>	Coal (In Lakhs)	Not Used	Not Used
<b>3)</b>	Furnace Oil	Not Used	Not Used
<b>4)</b>	Others	Not Used	Not Used
<b>B)</b>	<b>Consumption per Unit of Production</b>		
	Electricity (Units /kg of yarn)	2.09	1.90
	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





## SURYAAMBA SPINNING MILLS LIMITED

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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	2014-15	2013-14
(i)	Foreign Exchange earned	Nil	Nil
	FOB value of exports	27.55	91.66
(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 : 28-August-2015

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 Yarn. We are basically into manufacturing of Synthetic blended yarns of Polyester/Viscose, 100% Polyester and Viscose with counts wide ranging from 20s to 45s. Currently the Company has one manufacturing unit with a capacity of 37,584 installed spindles with a production capacity of 38 MTs per day. The unit is located at Mouza-Nayakund, Near Ramtek in the state of Maharashtra which is ISO certified.

### INDIAN ECONOMY

The year under review was a challenging one. In 2014-15, Indian economy grew at 7.3% (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 7.5 percent in 2015-16, 7.9 percent in the 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 production resources 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
  - ☆ 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 2014-15 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**

While the cotton production in India in the year 2015-16 is expected to decline by 3 to 5% as farmers shift to alternate crops, the cotton availability in India is expected to remain comfortable and further improve from that in the year 2014-15 with stock to consumption ratio expected at 28 to 33% at the end of the year 2015-16. The improvement will be driven by higher carry forward stock from the year 2014-15 as exports had declined due to lower demand from China and expectation of limited cotton exports in the year 2015-16 as well.

Despite the decline in the production, India will remain the world's largest cotton producer.

The cotton consumption is expected to increase by 3 to 4% in the year 2015-16 on account of low cotton prices which has resulted in a significant decline in the spread between cotton and polyester staple fibre and also the expected improvement in the global economic growth, which will lead to improved demand for textile products. In the FY 2015-16,



crude oil prices are expected to remain stable at \$60-70 a barrel. Also, market demand for polyester is likely to rise by five to seven per cent as per a study. But, exports could play spoilsport this year. With markets like Brazil, Turkey and Egypt under pressure for several reasons demand for polyester yarn and fabric will be under pressure in FY 2015-16.

#### **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 operations 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 31.03.2015 was 1145.

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

The total Revenue for the year 2014-15 was ₹ 14916.48 Lakhs and profit before tax was of ₹ 276.92 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 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 : 28-August-2015**

## REPORT ON CORPORATE GOVERNANCE

In accordance with clause 49 of the Listing Agreement with the Bombay Stock Exchange Limited (BSE) in India (Clause 49) and some of the best practices followed internationally on Corporate Governance, the report containing the details of governance systems and processes at Suryaamba Spinning Mills Limited.

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 2014-2015:

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, 2 are Non-executive Independent Directors and 1 Non Executive Director. 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 2014-15

Name of the Directors	DIN	Category	No of other Directorship as on 31 March, 2015	No. of Membership(s) of Board Committees in other Companies as on 31 Mar 2015	No. of Chairman ship(s) of Board Committees in other Companies as on 31Mar2015
Mr Virender Kumar Agarwal [Promoter]	00013314	Managing Director	2	NIL	NIL
Smt Seema Rani Agarwal [Promoter]	01430206	Joint Managing Director	1	NIL	NIL

Name of the Directors	DIN	Category	No of other Directorship as on 31 March, 2015	No. of Member ship(s) of Board Committees in other Companies as on 31 Mar 2015	No. of Chairman ship(s) of Board Committees in other Companies as on 31 Mar 2015
Mr Mayank Agarwal [Promoter]	02749089	Whole Time Director	NIL	NIL	NIL
Mr Pundlik Sampatrao Thakare	02066290	Non-executive Independent Director	NIL	NIL	NIL
Mr Amit Goela	01754804		6	NIL	NIL
Mr Pujit Agarwal**			NIL	NIL	NIL
Mr Manish Kumar Gupta***	07096129	Additional Director	NIL	NIL	NIL

\*Memberships/Chairmanships of only Audit Committees and Stakeholders' Relationship Committees in all public limited companies (excluding Suryaamba Spinning Mills Limited) have been considered.

\*\*Mr. Pujit Agarwal has been resigned from the office with effect from 04-July-2014.

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

**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 2014 to 31 March, 2015	No. of Board meetings held from 01 Apr 2014 to 31 March, 2015	Attendance AGM 09 August, 2014
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		Not Present
Mr Pujit Agarwal *	8	2	Yes
Mr Manish Kumar Gupta**	8	NA	NA

\*\* Mr. Pujit Agarwal has been resigned from the office with effect from 04-July-2014.

\*\* Mr. Manish Kumar appointed as an additional director w. e.f 14.02.2015 to be regularized and re-appointed as Non-Executive Independent Director in the ensuing Annual General Meeting

**Number of Board meetings held and their dates:**

During the period under review the Board of Directors duly met Eight (8) times respectively on 30th May,2014, 05th June,2014,04th July,2014,14th August,2014,08th November,2014,13th December,2014,31st December,2014 and 14th February, 2015. The maximum time-gap between any two consecutive meetings did not exceed One Hundred and Twenty (120) days.

**d) Re-appointment of Directors**

<b>1. Name</b>	-	<b>Mr. Manish Kumar (DIN: 07096129)</b>
Age	-	45 years
Qualification	-	B.Com
Expertise	-	Mr. Manish Kumar Gupta is a owner of Balaji Jewellers at Hyderabad. He is the family jeweller of nizam's. He has a vast experience in the field of Finance.
Other Directorships:	-	Nil
Shareholding in the Company	-	Nil

<b>2. Name</b>	-	<b>Mayank Agarwal (DIN: 02749089)</b>
Age	-	25 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
Shareholding in the Company	-	2,70,997 Equity shares of the Company.

**e) Code of Conduct.**

In pursuance with the Sub - Clause (E) of Clause 49 of the Listing Agreement, 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](http://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 Chairman & Independent Director.

**3. Audit Committee**

In compliance with Clause 49 of the listing agreement and Section 292A of the Companies Act, 1956, Board of Directors of the Company has constituted an Audit Committee in the Board Meeting held on 26th February, 2008.

**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. Smt Seema Rani Agarwal	Member

**c) Meetings and Attendance during the year:**

During the year under review, four Audit Committee meetings were held on 30th May, 2014, 14th August, 2014, 08th November, 2014 and 14th February, 2015. 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

**c) Meeting and Attendance during the year:**

During the year under review, Two Remuneration Committee meeting was held on 14th August, 2014 and 14th February, 2015. 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	2
3. Mr. Mayank Agarwal	1





**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 weightage 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 2014-2015 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, 2015
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	-	32,000	-	32,000	NIL
Amit Goela	-	32,000	-	32,000	NIL
Manish Kumar Gupta*	-	-	-	-	NIL

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

**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 investor's 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.

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. Smt Seema Rani Agarwal	Executive/Promoter	Member

- c) **Name and designation of the Compliance Officer:**  
Mr. Virender Kumar Agarwal, Managing Director is the Compliance officer of the Company.
- 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
2011-12	04-Aug-2012	Kamat Lingapur Hotel, 1-10-44/2, Chikoti Gardens, Begumpet, Hyderabad - 500016	5.30 P.M.
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.

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

Date	No. of Special Resolutions Passed	particulars of the Special Resolution
04-Aug-2012	Nil	Nil
11-Sep-2013	1	Re-appointment of Mr. Mayank Agarwal as Whole-time Director of the Company
09-Aug-2014	3	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]

- 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. 32 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 behaviour in all its business activities and has put in place a mechanism for reporting illegal or unethical behaviour. 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 Clause 49 of the Listing Agreement, 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, 2015, at its meeting held on 13-August-2015. 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 Andhra Prabha (Telgu 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:  
**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 : 25th September, 2015  
Time : 4.00 P.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 : 22nd September,2015 to 25th September,2015 (both days inclusive)
- d) Dividend Payment Date : within 30days from the date to Annual General Meeting
- e) Listing on stock exchange : Bombay Stock Exchange Limited, Mumbai (BSE)
- g) 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-2014	29.15	25.95	28.30	3,808
May-2014	35.20	28.00	32.05	20,511
June-2014	5.25	30.35	32.75	22,483
July-2014	46.75	31.15	38.05	80,068
August-2014	41.95	31.75	37.00	24,902
September-2014	43.95	37.00	40.05	43,761
October-2014	41.70	33.15	35.35	16,922
November-2014	44.15	34.75	44.00	52,213
December-2014	49.25	38.50	41.00	43,921
January-2015	44.10	38.80	38.80	7,136
February-2015	44.05	37.00	40.00	10,548
March-2015	44.90	38.00	38.00	9,753

**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-2014	29.15	25.95	22,939.31	22,197.51
May-2014	35.20	28.00	25,375.63	22,277.04
June-2014	35.25	30.35	25,725.12	24,270.20
July-2014	46.75	31.15	26,300.17	24,892.00
August-2014	41.95	31.75	26,674.38	25,232.82
September-2014	43.95	37.00	27,354.99	26,220.49
October-2014	41.70	33.15	27,894.32	25,910.77
November-2014	44.15	34.75	28,822.37	27,739.56
December-2014	49.25	38.50	28,809.64	26,469.42
January-2015	44.10	38.80	29,844.16	26,776.12
February-2015	44.05	37.00	29,560.32	28,044.49
March-2015	44.90	38.00	30,024.74	27,248.45



**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 Computershare 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 conduct 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 2015**

Category	No. of Shares held	Percentage of shareholding
1) BANKS	870	0.03
2) CLEARING MEMBERS	190	0.01
3) HUF	31308	1.07
4) BODIES CORPORATES	27160	0.93
5) MUTUAL FUNDS	64	0.00
6) NON RESIDENT INDIANS	11135	0.38
7) PROMOTER INDIVIDUALS	2136776	72.88
8) RESIDENT INDIVIDUALS	724441	24.71
<b>TOTAL</b>	<b>2931944</b>	<b>100.00</b>

**l) Distribution of Shareholding as on 31st March 2015**

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 - 5,000	2846	92.28	2621510	8.94
5,001 - 10,000	117	3.79	897240	3.06
10,001 - 20,000	63	2.04	924200	3.15
20,001 - 30,000	18	0.58	466010	1.59
30,001 - 40,000	11	0.36	387530	1.32
40,001 - 50,000	7	0.23	319090	1.09
50,001 - 1,00,000	10	0.32	767730	2.62
1,00,001 and above	12	0.39	22936130	78.23
<b>TOTAL</b>	<b>3084</b>	<b>100.00</b>	<b>29319440</b>	<b>100.00</b>

**m) Shareholding pattern as on 31st March 2015**

Category of Shareholder	As on 31st March, 2015		
	No. of Share holders	Total No. of Shares	%
Promoter's Holding Indian Promoters <sup>1</sup>	7	2136776	72.88
<b>Total Promoter's Holding (A)</b>	7	2136776	72.88
Public Shareholding <sup>2</sup> 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	68	27160	0.93
Individuals	2988	755749	25.78
Others Non Resident Indians	15	11135	0.38
Overseas Corporate Bodies	Nil	Nil	-
Trusts	Nil	Nil	-
Clearing Members	1	190	0.01
<b>Total Public Shareholding (B)</b>	3077	795168	27.12
Shares held by Custodian against Depository Receipts [c]	Nil	Nil	-
<b>TOTAL (A+B+C)</b>	<b>3084</b>	<b>2931944</b>	<b>100.00</b>





**n) Dematerialization of Shares & Liquidity:**

The shares of the Company are compulsorily traded in DEMAT 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). ISIN: INE360J01011

**Address of Registrar for Dematerialisation 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 :

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

Any queries relating to Annual reports, etc.  
queries relating to the shares of the company

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 Clause 49 of the Listing Agreement with the Stock Exchanges, all Board members and Senior Management Personnel have affirmed compliance with Suryaamba Spinning Mills Limited Code of Conduct for the year ended March 31, 2015.

**Place : Nagpur**  
**Date : 28-August-2015**

**For and on 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  
Telephone No. : 040-27813360; 0712-2591072  
Fax. No.:0712-2591410 Email  
Address: mail@suryaamba.com  
Website: www.suryaamba.com

**Virender Kumar Agarwal**      **Seema Rani Agarwal**  
**(Managing Director)**      **(Jt. Managing Director)**  
**(DIN : 00013314)**      **(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, 2015 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 nor 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 : 21-Jul-2015**

**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, 2015, 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 aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:



- a) In the case of the Balance Sheet, of the State of affairs of the Company as at 31st March, 2015,
- 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) Standards specified under Section 133 of the Act, read with Rule 7 of the Companies Accounts Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.

**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.
- 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:
- 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 : 28-May-2015**



**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 2015, we report that :

- |  |   |
|--|---|
| <p>(i) a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.</p> <p>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.</p> <p>(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.</p> <p>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.</p> <p>c) The company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.</p> <p>(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.</p> <p>(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.</p> <p>(v) The Company has not accepted deposits from the public covered by the provisions of Section 73 to 76 of the Companies Act, 2013.</p> | <p>(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.</p> <p>(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.</p> <p>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 Income Tax, Wealth Tax, Service Tax, Sales Tax, Customs Duty and Excise Duty which have not been deposited on account of any disputes.</p> <p>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.</p> <p>(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.</p> <p>(ix) In our opinion and according to the information and explanations given to us, the</p> |
|--|---|



## SURYAAMBA SPINNING MILLS LIMITED

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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. 004614**

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

**Place : Hyderabad  
Date : 28-May-2015**



**CERTIFICATE ON CORPORATE GOVERNANCE**

To,  
The Members of  
SURYAAMBA SPINNING MILLS LIMITED

We have examined the compliance of conditions of Corporate Governance by **SURYAAMBA SPINNING MILLS LIMITED**, for the year ended on 31st March, 2015, as stipulated in clause 49 of the listing Agreement of the said company with Stock exchanges in India.

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

In our opinion and to the best of our information and explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

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

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

**Place : Hyderabad  
Date : 28-May-2015**

**Balance Sheet as at 31st March, 2015**

(₹ in Lakhs)

Particulars	Note No.	As At 31.03.2015	As At 31.03.2014
1	2	3	4
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	1	1,066.19	1,021.20
(b) Reserves and surplus	2	1,851.37	1,760.67
(c) Money received against share warrants		-	28.29
		<u>2,917.56</u>	<u>2,810.16</u>
<b>2 Non-current liabilities</b>			
(a) Long-term borrowings	3	1,714.29	1,765.95
(b) Deferred tax liabilities (Net)		371.80	292.02
(c) Long-term provisions	4	274.58	243.56
		<u>2,360.67</u>	<u>2,301.53</u>
<b>3 Current liabilities</b>			
(a) Short-term borrowings	5	1,283.49	1,461.73
(b) Other current liabilities	6	693.95	581.98
(c) Short-term provisions	7	218.34	255.15
		<u>2,195.78</u>	<u>2,298.86</u>
<b>TOTAL</b>		<u><u>7,474.01</u></u>	<u><u>7,410.55</u></u>
<b>II. ASSETS</b>			
<b>Non-current assets</b>			
1 (a) Fixed assets	8		
(i) Tangible assets		4,787.33	4,323.59
(ii) Capital work-in-progress		-	260.22
(b) Long-term loans and advances	9	105.38	102.99
		<u>4,892.71</u>	<u>4,686.80</u>
<b>2 Current assets</b>			
(a) Inventories	10	846.09	799.07
(b) Trade receivables	11	975.10	959.58
(c) Cash and cash equivalents	12	52.15	51.24
(d) Short-term loans and advances	13	285.66	429.15
(e) Other current assets	14	422.30	484.71
		<u>2,581.30</u>	<u>2,723.75</u>
<b>TOTAL</b>		<u><u>7,474.01</u></u>	<u><u>7,410.55</u></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 : 28th May-2015**



**Profit and loss statement for the year ended 31st March, 2015**

(₹ in Lakhs)

Particulars	Refer Note No.	Current Year	Previous Year
<b>I.</b> Revenue from operations	15	14,659.95	15,639.30
<b>II.</b> Other income	16	256.53	197.38
<b>III. Total Revenue (I + II)</b>		<b>14,916.48</b>	<b>15,836.68</b>
<b>IV. Expenses:</b>			
Cost of materials consumed	17	10,092.35	11,172.06
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	18	(153.38)	147.66
Employee benefits expense	19	1,208.42	983.10
Finance costs	20	462.20	459.27
Depreciation and amortization expense	21	357.21	276.46
Other expenses	22	2,672.76	2,464.28
<b>Total expenses</b>		<b>14,639.56</b>	<b>15,502.83</b>
<b>V. Profit before tax</b>		<b>276.92</b>	<b>333.85</b>
<b>VI. Tax expense:</b>			
(1) Current tax		57.44	72.79
(2) Deferred tax (Asset)/Liability		79.78	182.94
(3) MAT Credit Entitlement		(57.44)	(72.79)
(4) Earlier Year's MAT Credit Entitlement		16.08	(63.48)
<b>Sub-Total - Tax expense</b>		<b>95.86</b>	<b>119.46</b>
<b>VII Profit (Loss) for the period</b>		<b>181.06</b>	<b>214.39</b>
<b>VIII. Earnings per equity share:</b>			
(1) Basic		3.64	5.72
(2) Diluted		3.64	4.84

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 : 28th May, 2015**

**SURYAAMBA SPINNING MILLS LIMITED****CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015**

(₹ in Lakhs)

Particulars	Year Ended 31.03.2015	Year Ended 31.03.2014
<b>A. Cash Flow from Operating Activities :</b>		
Net profit before tax	276.92	333.85
Adjustment for: Depreciation	356.75	276.00
Reserve for Depreciation	(43.26)	-
Finance Charges	441.28	432.67
Preliminary Expenses Written Off	0.46	0.46
Debit Balance and Bad Debts written off	0.02	15.38
Interest earned	(20.09)	(10.61)
	<u>735.16</u>	<u>713.90</u>
Operating Profit before working capital changes	1,012.08	1,047.75
Adjustment for working capital changes:		
Decrease/(Increase) in Inventories	(47.02)	(170.85)
Decrease/(Increase) in Receivables	234.30	(172.85)
(Decrease)/Increase in Liabilities	147.82	(202.09)
	<u>335.10</u>	<u>(545.79)</u>
Operating Profit after working capital changes	1,347.17	501.96
Less: Taxes Paid	56.30	68.50
<b>Net Cash Inflow from Operating Activity (A)</b>	<b>1,290.88</b>	<b>433.46</b>
<b>B. Cash Flow from Investing Activities :</b>		
Acquisition of Fixed Assets including Capital Work In Progress	(603.53)	(214.24)
Interest Received	18.04	5.17
<b>Net Cash Outflow from Investing Activity (B)</b>	<b>(585.49)</b>	<b>(209.07)</b>
<b>C. Cash Flow from Financing Activity :</b>		
Share Application Money Received	65.17	24.53
Repayment of Term Loans	(53.56)	(34.89)
Increase/(Decrease) in Working Capital Loans	(178.70)	50.52
Hire Purchase Loan	-	39.86
Repayment of Hire Purchase Loans	(14.17)	(8.26)
Loan from Directors	14.92	282.19
Dividend and Dividend Distribution Tax Paid	(115.27)	(136.60)
Interest Paid	(422.93)	(435.71)
<b>Net Cash Outflow from Financing Activity (C)</b>	<b>(704.54)</b>	<b>(218.37)</b>
<b>Net Increase/(decrease) in Cash and Cash Equivalents during the Financial Year (A+B+C)</b>	<b>0.91</b>	<b>6.02</b>
Add : Cash and Cash Equivalent at the beginning of the year	51.24	45.22
<b>Cash and Cash Equivalent at the close of the year</b>	<b>52.15</b>	<b>51.24</b>

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 : 28th May, 2015**

**Notes to the Financial Statements**

(₹ in Lakhs)

**Note 1 Share Capital:**

Particulars	As at 31 March 2015		As at 31 March 2014	
	Number	Amount	Number	Amount
<b>Authorised</b>				
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
	6,500,000	2,000.00	6,500,000	2,000.00
<b>Issued</b>				
Equity Shares of ₹ 10 each	2,931,944	293.19	2,482,000	248.20
8% Cumulative Redeemable Preference shares of ₹ 100 each	773,000	773.00	773,000	773.00
	3,704,944	1,066.19	3,255,000	1,021.20
<b>Subscribed and Paid Up</b>				
Equity Shares of ₹ 10 each	2,931,944	293.19	2,482,000	248.20
8% Cumulative Redeemable Preference shares of ₹ 100 each	773,000	773.00	773,000	773.00
<b>Total</b>	<b>3,704,944</b>	<b>1,066.19</b>	<b>3,255,000</b>	<b>1,021.20</b>

**(a) The reconciliation of the number of shares outstanding is let out below :**

Particulars	Equity Shares		Preference Shares	
	31 Mar 2015	31 Mar 2014	31 Mar 2015	31 Mar 2014
Shares outstanding at the beginning of the year	2,482,000	2,352,000	773,000	773,000
Shares Issued during the year	449,944	130,000	-	-
Shares redeemed / bought back during the year	-	-	-	-
Shares outstanding at the end of the year	<b>2,931,944</b>	<b>2,482,000</b>	<b>773,000</b>	<b>773,000</b>

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

Name of Shareholder	As at 31 March 2015		As at 31 March 2014	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Sri Virenderkumar Agarwal	1,206,191	41.14%	1,000,191	40.30%
Smt Seemarani Agarwal	642,250	21.91%	532,250	21.44%
Sri Mayank Agarwal	270,997	9.24%	137,053	5.52%

**(c) Details of Cumulative Redeemable Preference Shares**

Nature	Amount	Date of Issue	Date of Redemption
8% Cumulative Redeemable Pref Shares of ₹ 100/- each	55,000,000	18-07-2011	17-07-2023
8% Cumulative Redeemable Pref Shares of ₹ 100/- each	22,300,000	20-03-2012	19-03-2024
<b>Total</b>	<b>77,300,000</b>		

**Notes to the Financial Statements**

(₹ in Lakhs)

**Note 2 Reserves & Surplus:**

Particulars	As at 31 March 2015	As at 31 March 2014
<b>a. Securities Premium Account</b>		
At the commencement of the year	290.79	271.09
(+) Addition during the year	68.17	19.70
Closing Balance	<u>358.96</u>	<u>290.79</u>
<b>b. Investment Subsidy</b>		
At the commencement of the year	30.00	30.00
Closing Balance	<u>30.00</u>	<u>30.00</u>
<b>c. Preference Capital Redemption Reserve</b>		
At the commencement of the year	57.53	57.53
(+) Current Year Transfer	-	-
Closing Balance	<u>57.53</u>	<u>57.53</u>
<b>d. General Reserve</b>		
At the commencement of the year	1,202.25	1,201.75
Less : Arrears of Depreciation	(43.26)	-
(+) Current Year Transfer	0.50	0.50
Closing Balance	<u>1,159.49</u>	<u>1,202.25</u>
<b>e. Profit and Loss Account</b>		
At the commencement of the year	180.10	67.62
Add : Profit for the year	181.06	214.39
Less : Proposed Dividend on Equity Shares	29.32	24.82
Dividend on Equity Shares for Previous Yr	4.50	-
Proposed Dividend on Preference Shares	61.84	61.84
Corporate Dividend Tax	18.23	14.73
Corporate Dividend Tax [Previous Year]	1.38	-
Transfer to General Reserve	0.50	0.50
Closing Balance	<u>245.39</u>	<u>180.10</u>
<b>Total</b>	<u><b>1,851.37</b></u>	<u><b>1,760.67</b></u>

**Note 3 Long Term Borrowings :**

Particulars	As at 31 March 2015	As at 31 March 2014
<b>Secured</b>		
<b>Term loans</b>		
From SBI-IFB, Hyderabad		
(a) Rupee term Loan-2	<u>1,130.00</u>	<u>1,310.45</u>
From Aditya Birla Finance Ltd,	<u>126.89</u>	<u>-</u>
	<u>1,256.89</u>	<u>1,310.45</u>

**Note:** The Loan referred above is secured by mortgage of (present & future) movable and immovable properties of the Company on first charge pari passu basis and guaranteed by two Promotor Directors of the Company in their personal capacities.

**Notes to the Financial Statements**

(₹ in Lakhs)

Particulars		As at 31 March 2015	As at 31 March 2014
<b>Terms of Repayment :</b>	Sanction Date	Rate of Interest	Quarterly Instalment
Rupee term Loan-2	<u>24.01.2013</u>	<u>12.50%</u>	<u>32</u>
<b>Other loans and advances</b>			
<b>Vehicle Hire Purchase Loan</b>			
from HDFC Bank Limited		25.34	32.40
from BMW India Financial Limited		-	4.30
from ICICI Bank Limited		-	1.66
		<u>25.34</u>	<u>38.36</u>
<b>Unsecured</b>			
<b>Other Long Term Borrowings</b>		140.00	-
(I) Loans and advances from related parties			
Unsecured Loan from Directors		292.06	417.14
		432.06	417.14
<b>Total</b>		<u>1,714.29</u>	<u>1,765.95</u>

**Note 4 Long Term Provisions:**

<b>(a) Provision for employee benefits</b>		
Gratuity (unfunded)	241.80	211.78
Leave Encashment (unfunded)	32.78	31.78
	<u>274.58</u>	<u>243.56</u>

**Note 5 Short Term Borrowings:**

<b>Secured</b>		
<b>(a) Loans repayable on demand from banks</b>		
(I) State Bank of India		
Cash Credit	1,122.24	1,268.51
(II) Axis Bank Limited		
Cash Credit	161.25	193.22
<b>Total</b>	<u>1,283.49</u>	<u>1,461.73</u>

All Working Capital loans are secured by hypothecation of stocks of raw materials, yarn, stock-in-process, stores and spares and book debts and by a second mortgage over the (present and future) movable & immovable properties of the Company on pari-passu basis and further guaranteed by two Promotor Directors of the Company in their personal capacities.

**Notes to the Financial Statements**

(₹ in Lakhs)

**Note 6 Other Current Liabilities:**

Particulars	As at 31 March 2015	As at 31 March 2014
(a) Current maturities of long-term debt <b>Term Loan from SBI-IFB, Hyderabad</b> Rupee term Loan-2	160.00 <u>160.00</u>	160.00 <u>160.00</u>
(b) Current maturities of finance lease obligations <b>Vehicle Hire Purchase Loan</b> from HDFC Bank Limited from BMW India Financial Limited from ICICI Bank Limited from TVS Credit Services Limited	7.06 4.42 1.66 0.07 <u>13.21</u>	6.36 4.84 3.16 0.20 <u>14.56</u>
(c) Unclaimed dividends	13.14	6.22
(d) Creditors for Supplies Due to Small and Micro Enterprises Others	32.45 227.95	36.96 169.17
(e) Other payables	242.52	191.05
(f) Other payables - Statutory dues	4.68 <u>520.74</u>	4.02 <u>407.42</u>
<b>Total</b>	<u><b>693.95</b></u>	<u><b>581.98</b></u>

**Note 7 Short Term Provisions:**

(a) <b>Provision for employee benefits</b> Salary & Reimbursements Contribution to PF & ESI Bonus Payable	60.02 15.96 31.83	55.34 14.78 27.29
(b) <b>Others (Specify nature)</b> Proposed Preference Shares dividend Proposed Equity Shares dividend Corporate Dividend Tax Provision for Income Tax (Net)	61.84 29.32 18.23 1.14	61.84 24.82 14.73 56.34
<b>Total</b>	<u><b>218.34</b></u>	<u><b>255.15</b></u>


**SURYAAMBA SPINNING MILLS LIMITED**
**Note 8 Fixed Assets : (Figures in ₹ Lakhs)**

Particulars	Gross Block		Accumulated Depreciation			Net Block		
	Balance as at 1 April 2014	Additions	Balance as at 31 March 2015	Balance as at 1 April 2014	Depreciation charged for the Year	On disposals	Balance as at 31 March 2015	Balance as at 1 April 2014
<b>a Tangible Assets</b>								
Land	146.67	20.04	166.71	-	-	-	166.71	146.67
<b>Buildings :</b>								
Factory Buildings	1,384.78	246.15	1,630.93	332.35	50.17	-	1,248.41	1,052.43
Non-Factory Buildings	902.69	14.06	916.75	112.48	14.42	-	789.85	790.21
<b>Plant and Equipment :</b>								
Workshop Equipment	3.19	-	3.19	2.79	0.01	-	0.39	0.40
Plant and Machinery	3,995.31	564.90	4,560.21	2,037.19	234.69	-	2,288.33	1,958.12
Testing Equipment	18.75	-	18.75	7.78	0.60	-	10.37	10.97
Electrical Installations	375.03	11.07	386.10	175.79	24.79	35.93	149.59	199.24
Weighing Machines	4.41	-	4.41	2.64	0.08	-	1.69	1.77
Water Works	7.12	-	7.12	1.82	0.38	-	4.92	5.30
Furniture and Fixtures	53.67	0.55	54.22	27.75	3.61	0.23	22.63	25.92
Office equipment	29.24	0.49	29.73	16.12	2.85	2.82	7.94	13.12
Vehicles	144.55	-	144.55	44.15	15.89	1.95	82.56	100.40
Data Processing Equipment	56.81	6.49	63.30	37.77	9.26	2.33	13.94	19.04
<b>Total</b>	<b>7,122.22</b>	<b>863.75</b>	<b>7,985.97</b>	<b>2,798.63</b>	<b>356.75</b>	<b>43.26</b>	<b>4,787.33</b>	<b>4,323.59</b>
<b>b Add :Capital Work In Progress</b>	260.22	(260.22)	-	-	-	-	-	260.22
	7,382.44	603.53	7,985.97	2,798.63	356.75	43.26	4,787.33	4,583.81
<b>c Less :Internal Transfer</b>	-	-	-	-	-	-	-	-
<b>Total</b>	7,382.44	603.53	7,985.97	2,798.63	356.75	43.26	4,787.33	4,583.81
<b>Previous Year</b>	<b>7,168.20</b>	<b>214.24</b>	<b>7,382.44</b>	<b>2,522.62</b>	<b>276.00</b>		<b>4,583.82</b>	<b>4,645.58</b>

**Note:** The Company has revised the estimated useful lives of its fixed assets with effect from 1st April 2014 as provided in Schedule II of the Companies Act 2013, Accordingly the net book value of the fixed assets as at 01.04.2014, is depreciated on a prospective basis over the remaining useful life, wherever applicable. Further in case of fixed assets whose useful life on such reassessment has expired as on 31.03.2014, Net book value of assets of ₹ 43.26 Lakhs is adjusted against the Surplus/(Deficit) in the statement of Profit and Loss as of 1st April 2014.

**Notes to the Financial Statements**

(₹ in Lakhs)

**Note 9 Long Term Loans and Advances:**

Particulars	As at March 2015	As at 31 31 March 2014
<b>a. Deposits Recoverable</b> (Unsecured considered good) (Telephone, MSEDCCL Electricity, & other deposits)	105.38	102.99
<b>Total</b>	<b><u>105.38</u></b>	<b><u>102.99</u></b>

**Note 10 Inventories:**

<b>(Valued and certified by the Management)</b>		
a. Raw Materials	244.52	343.68
<b>(Valued at cost on weighted average basis)</b>		
b. Stores and spares	91.44	98.62
<b>(Valued at cost on weighted average basis)</b>		
c. Finished goods	286.15	183.11
<b>(Valued at lower of cost or net realisable value basis)</b>		
d. Work-in-progress	223.83	173.55
<b>(Valued at lower of cost or net realisable value basis)</b>		
e. Others - Waste (at realisable value)	0.15	0.11
<b>Total</b>	<b><u>846.09</u></b>	<b><u>799.07</u></b>

**Note 11 Trade Receivables:**

(Unsecured and considered Good)		
Receivables due for a period exceeding six months	-	-
	-	-
Others	975.10	959.58
	975.10	959.58
<b>Total</b>	<b><u>975.10</u></b>	<b><u>959.58</u></b>

**Note 12 Cash and Cash equivalents :**

a. Balances with Banks		
With Scheduled Banks	1.84	0.58
b. Cash on hand	1.42	15.87
c. Balance with Banks in unclaimed dividend Accounts	13.14	6.22
d. Fixed Deposits	35.75	28.57
<b>Total</b>	<b><u>52.15</u></b>	<b><u>51.24</u></b>

Fixed Deposits with State Bank Of India amt to ₹ 17.70 lakh and with Axis Bank Ltd. amt to ₹ 18.05 lakh are being kept for various Bank Guarantees given to Government authorities.



**Notes to the Financial Statements**

(₹ in Lakhs)

**Note 13 Short-term loans and advances:**

Particulars	As at 31 March 2015	As at 31 March 2014
(Unsecured considered good)		
a. Advances for Capital purchases	75.78	88.98
b. Advances for purchases of Stores	17.44	20.18
c. Advances for Raw Material	0.39	181.14
d. Advances to Staff	9.47	2.58
e. MAT Credit Entitlement	182.58	136.27
<b>Total</b>	<b><u>285.66</u></b>	<b><u>429.15</u></b>

**Note 14 Other Current Assets:**

Incentives Receivables	237.12	181.24
Pre-paid expenses	11.37	0.82
VAT Receivable	148.07	288.14
Balance With Central Excise Department	10.50	0.86
Accrued interest	14.31	12.26
Deferred Revenue Expenditure	0.93	1.39
<b>Total</b>	<b><u>422.30</u></b>	<b><u>484.71</u></b>

**Note 15 Sale of Products:**

Yarn	14,653.03	15,631.78
Waste	6.92	7.52
<b>Total</b>	<b><u>14,659.95</u></b>	<b><u>15,639.30</u></b>

**Note 16 Other Income:**

Interest Income	20.09	10.61
Export Benefit entitlement	228.14	150.36
Income relating to Previous Year	-	11.97
Scrap Sales	1.19	1.09
Miscellaneous Income	7.11	21.20
Credit Balance written Back	-	2.15
<b>Total</b>	<b><u>256.53</u></b>	<b><u>197.38</u></b>

**Notes to the Financial Statements**

(₹ in Lakhs)

**Note 17 Cost of materials consumed :**

Particulars	Current Year	Previous Year
Opening Stocks	343.68	32.68
Add : Purchases	9,993.19	11,483.06
	10,336.87	11,515.74
Less : Closing Stocks	244.52	343.68
<b>Total Cost of Material Consumed</b>	<b>10,092.35</b>	<b>11,172.06</b>
<b>Details of Raw Material Consumed :</b>		
Polyester Staple Fibre	10,050.21	11,166.27
Viscose Staple Fibre	42.14	5.79
<b>Total</b>	<b><u>10,092.35</u></b>	<b><u>11,172.06</u></b>

**Note 18 Changes in inventories of Finished Goods, work-in-progress and stock-in-trade:**

<b>(INCREASE)/DECREASE IN STOCKS</b>		
<b>OPENING STOCKS:</b>		
Yarn	183.11	373.81
Work-in-process	173.54	130.48
Waste	0.10	0.12
	<u>356.75</u>	<u>504.41</u>
<b>CLOSING STOCKS:</b>		
Yarn	286.15	183.11
Work-in-process	223.83	173.54
Waste	0.15	0.10
	<u>510.13</u>	<u>356.75</u>
<b>(INCREASE)/DECREASE IN STOCKS</b>	<b><u>(153.38)</u></b>	<b><u>147.66</u></b>

**Note 19 Employee Benefits Expense:**

(a) Salaries ,Incentives and Bonus	1,056.20	861.37
(b) Contributions to Provident Fund	89.20	79.46
(c) Staff welfare expenses	63.02	42.27
<b>Total</b>	<b><u>1,208.42</u></b>	<b><u>983.10</u></b>

**Note 20 Finance Cost:**

Interest expense	441.28	432.67
Bank Charges	20.92	26.60
<b>Total</b>	<b><u>462.20</u></b>	<b><u>459.27</u></b>

**Notes to the Financial Statements**

(₹ in Lakhs)

**Note 21 Depreciation and Amortisation expense:**

Particulars	Current Year	Previous Year
Depreciation	356.75	276.00
Amortisation expense	0.46	0.46
<b>Total</b>	<b>357.21</b>	<b>276.46</b>

**Note 22 Other Expenses :**

Consumable Stores	473.55	285.22
Power & Fuel	1,322.48	1,246.15
Rent	17.98	14.40
Rates & Taxes	11.37	6.22
Sales Tax	419.45	417.80
Printing & Stationery	0.96	2.52
Postage, Telegrams & Telephones	6.35	7.12
Travailing & Conveyance	25.86	25.57
Expenses on Sales	25.90	69.45
Commission On Sales	13.53	9.55
Insurance	3.46	8.37
Professional Charges	16.57	10.00
Payment to the Auditors :		
As Auditors	1.01	
For Taxation Matters	0.22	0.22
Cost Audit Fees	0.44	0.39
Repairs to : Buildings	20.73	
: Machinery	5.54	13.48
: Other Assets	10.20	6.70
Vehicle Maintenance	21.42	20.94
Contract Labour Charges	82.95	59.70
Miscellaneous Expenses	99.08	121.07
Bad debts and Debit Balances written off	0.02	15.38
Business Promotion Expenses	20.16	42.29
Managerial remuneration	73.53	73.53
<b>Total</b>	<b>2,672.76</b>	<b>2,464.28</b>

**Note 23 Details of Material Consumed**

Particulars	Current Year		Previous Year	
	₹ Lakh	%	₹ Lakh	%
<b>Raw Material</b>				
Indigenous	10,092.35	100.00%	11,172.06	100.00%
Imported	-		-	
<b>Total</b>	<b>10,092.35</b>	<b>100.00%</b>	<b>11,172.06</b>	<b>100.00%</b>
<b>Stores &amp; Spares</b>				
Indigenous	295.63	100.00%	111.35	100.00%
Imported	-		-	
<b>Total</b>	<b>295.63</b>	<b>100.00%</b>	<b>111.35</b>	<b>100.00%</b>

**Notes to the Financial Statements**

(₹ in Lakhs)

**Note 24 Contingent Liabilities:**

Particulars	As at 31 March 2015	As at 31 March 2014
Contingent liabilities and commitments (to the extent not provided for)		
(a) Letter of Credit	1.35	93.97
(b) Bank Guarantees	27.22	14.87
<b>Total</b>	<b>28.57</b>	<b>108.84</b>

**Note 25 Value of Imports Calculated on C.I.F. Basis:**

Value of Imports on C.I.F. Basis	Nil	Nil
Stores and Spare Parts	Nil	Nil

**Note 26 Expenditure in Foreign Currency:**

Nil

Nil

**Note 27 Earning in Foreign Currency:**

FOB Value of Export	27.55	91.66
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**Note 28 Earning Per Share:**

Disclosure for earning per share as required under "Accounting Standard (AS-20) Earning Per Share" issued by the Institute of Chartered Accountant of India.

Profit after Tax	181.06	214.39
LESS : Preference Dividend provided including Corporate Dividend tax thereon	74.20	72.35
<b>Profit attributable to Equity Shareholders</b>	<b>106.86</b>	<b>142.04</b>
No. of Equity Shares (Face Value Rs.10/-each)	2,931,944	2,482,000
Weighted Average no. of Shares	2,931,944	2,482,000
Earning per Share	3.64	5.72

**Note 29 Deferred Tax:**

The company has accounted for deferred tax in accordance with the Accounting Standard – 22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India.

Major components of Deferred tax assets and liabilities arising on account of timing differences as on 31st March, 2015:

Deferred Tax Liability (a)		
Depreciation	518.98	530.36
	518.98	530.36
Deferred Tax Assets (b)		
Employee Benefits	88.78	77.56
Unabsorbed Losses	58.40	160.78
	147.18	238.34
<b>Deferred Tax Liability (a-b)</b>	<b>371.80</b>	<b>292.02</b>

**Notes to the Financial Statements**

(₹ in Lakhs)

**Note 30 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.

Particulars	Current Year	Previous Year
<b>A) Components of expenses recognized in Profit and Loss Account</b>		
Current Service Cost	19.03	16.22
Interest Cost	17.76	20.89
Expected Return on Plan Assets	(0.48)	(1.01)
Net Actuarial Gain/Loss	(6.28)	(27.41)
Past Service Cost	-	-
Expenses recognized in profit and loss Account	<u>30.03</u>	<u>8.69</u>
<b>B) Components of Amounts recognized in Balance Sheet</b>		
Opening Defined Benefit Obligation	232.30	233.17
Interest Cost	17.76	20.89
Current Service Cost	19.03	16.22
Benefits Paid	(9.69)	(9.80)
Actuarial Gain/Loss	(5.19)	(28.18)
Closing Net Liability	<u>254.21</u>	<u>232.30</u>
<b>C) Change in Fair Value of plan Assets</b>		
Fair value of plan assets at the beginning of the year	20.53	5.09
Expected Return on Plan Assets	0.48	1.01
Employer Contribution	-	25.00
Actuarial Gain/Loss	1.09	(0.77)
Benefits Paid	(9.69)	(9.80)
Fair value of plan assets at the end of the year	<u>12.41</u>	<u>20.53</u>

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

Particulars	Current Year	Previous Year
Salary Rise (%)	8	8
Attrition Rate (%)	1	1
Discount Rate (%)	8	8

**Notes to the Financial Statements**

(₹ in Lakhs)

**Note 31 Segment Reporting**

The Company is engaged in the business of manufacturing of Yarn and all other activities of the company revolve around the main business and the Company operates in a single geography i.e. India. As per the opinion of the management, disclosure of segment information as prescribed in the Accounting Standard 17 (AS 17) "Segment Reporting" issued by the Institute of Chartered Accountants of India is not applicable.

**Note 32 Related Party Disclosures**

Disclosures as required under Accounting Standard (AS) 18 "Related Party Disclosures" issued by the Institute of Chartered Accountants of India are given below:

Name of the Related Party	Relationship	
	Sri Virender Kumar Agarwal	Key
Smt Seema Agarwal	Management	Joint Managing Director
Sri Mayank Agarwal	Management	Executive Director

During the period following transactions were carried out with related party in the ordinary course of Business:

Nature of Transaction	Current Year	Previous Year
<b>Transactions during the Year</b>		
<b>a. Unsecured Loans received</b>		
i. Sri VirenderKumar Agarwal		
ii. Smt Seema Agarwal	89.50	160.50
iii. Sri Mayank Agarwal	227.00	-
iv. Sri Pujit Agarwal	8.00	191.00
<b>b. Interest Paid</b>		
i. Sri VirenderKumar Agarwal	-	1.77
ii. Smt Seema Agarwal	6.66	6.24
iii. Sri Mayank Agarwal	15.02	7.16
iv. Sri Pujit Agarwal	2.15	5.81
<b>c. Remuneration</b>		
i. Sri VirenderKumar Agarwal	30.01	30.01
ii. Smt Seema Agarwal	24.29	24.28
iii. Sri Mayank Agarwal	19.23	19.22
<b>d. Rent paid to Smt Seema Agarwal</b>	17.98	14.40
<b>Payables as on 31-03-2014</b>		
i. Sri VirenderKumar Agarwal	-	-
ii. Smt Seema Agarwal	210.85	141.37
iii. Sri Mayank Agarwal	81.21	86.55
iv. Sri Pujit Agarwal	-	191.86

**Note 33** Significant Accounting Policies and Practices adopted by the Company are disclosed in the statement

**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 giving raise 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 differences arising between taxable income and accounting income at the rates that have been enacted



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

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**

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

**Firm's Regn No. 004614S  
(K.SRINIVASA RAO)  
PARTNER  
M.No. 20147**

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

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

**Place : Hyderabad  
Date : 28-May-2015**



**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 8th Annual General Meeting/ Extraordinary general meeting of the company, to be held on Friday, 25th September, 2015 at 4.00 p.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
	<b>Ordinary Business</b>		
1.	To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2015 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, 2015.		
3.	To declare dividend of 10% on Equity Shares for the financial year ended 31st March, 2015.		
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 ratify the appoint of M/s. S. Venkatadri & Co., Chartered Accountants bearing (Registration No. 004614s) as Statutory Auditors of the Company to hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.		
	<b>Special Business</b>		
6.	To consider and approve the appointment and of Mr. Manish Kumar as Independent Director for a period of 5 (five) years.		
7.	To consider and approve the re-appointment of Mr. Mayank Agarwal as Whole Time Director for a period of 5 (Five) Years.		
8.	To ratify the remuneration of Cost Auditor.		
9.	To approve the change in address of Registrar and Transfer Agent		

Signed this..... day of..... 2015

Affix 1 ₹  
Revenue  
Stamp and  
Sign Across

**Signature of shareholder**

**Signature of Proxy holder(s)**

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

For the Resolutions , Explanatory Statement and Notes, Please refer Notice of 8th 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.



**SURYAAMBA SPINNING MILLS LIMITED**

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**ATTENDANCE SLIP**

**8th 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:** 25th September, 2015      **Venue:** Kamat Lingapur Hotel,  
1-10-44/2, Chikoti Gardens,  
Begumpet, Hyderabad-500016      **Time:** 04.00 P.M

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

I certify that I am a registered shareholder / proxy for the registered shareholder of the Company. I hereby record my presence at the 08th ANNUAL GENERAL MEETING of the Company at Hyderabad- 500016 on Friday, 25th September, 2015 at 4.00 P.M.

**SIGNATURE**

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

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