



SURYAAMBA SPINNING MILLS LIMITED

BOARD OF DIRECTORS

Sri R. Surender Reddy	Chairman
Sri Ravinder Kumar Agarwal	Director
Sri Pundlik Sampatrao Thakare	Director
Sri Sanjiv A. Agrawal	Director
Sri Vithaldas Agarwal	Director
Sri Virender Kumar Agarwal	Managing Director
Smt. Seema Rani Agarwal	Joint Managing Director
Sri Mayank Agarwal	Whole-time Director (w.e.f. 01.08.2009)

MANAGER (Finance)

Sri Nitin B. Halbe

REGISTERED OFFICE

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

CORPORATE OFFICE

A-101, Kanha Apartment,
128, Chhanoi, Katol Road,
Nagpur, 440 013, Maharashtra.

AUDITORS

M/s. Brahmayya & Co.,
Flat No.403 & 404,
Golden Green Apartments,
Irrammanzil Colony,
Hyderabad - 500 082.

REGISTRAR & TRANSFER AGENTS

Sathguru Management Consultants Pvt.Ltd.,
Plot No.15, Hindi Nagar,
Panjagutta, Hyderabad - 500 034.

BANKERS

State Bank of India
Industrial Finance Branch,
Hyderabad.

Axis Bank Limited
Begumpet Branch,
Hyderabad.

FACTORY

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

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Notice of the Second Annual General Meeting

NOTICE is hereby given that the Second Annual General Meeting of the Members of SURYAAMBA SPINNING MILLS LIMITED will be held on Monday, 14th September 2009, at 3.00 P.M. at Kamat Lingapur Hotel, 1-10-44/2, Chikoti Gardens, Begumpet, Hyderabad - 500 016 to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the audited Profit & Loss Account for the year ended 31st March 2009 and Balance Sheet as on that date together with the Schedules and Annexure thereto and the Reports of the Directors and Auditors' thereon.
2. To declare dividend on Equity Shares for the financial year ended 31st March 2009.
3. To declare dividend on Cumulative Redeemable Preference Shares for the financial year ended 31st March 2009.
4. To appoint a director in place of Sri Vithaldas Agarwal, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a director in place of Sri Pundlik Sampatrao Thakare, who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint M/s. Brahmayya & Co. Chartered Accountants as Auditors of the Company to hold the office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to authorise the Board of Directors to fix their remuneration.

Special Business:

7. 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 257 of the Companies Act, 1956 read with the enabling provisions of Articles of Association of the Company, Smt. Seema

Rani Agarwal, who has been appointed as an Additional Director on the Board and who holds office upto the commencement of this Annual General Meeting, be and is hereby appointed as a Director of the Company".

RESOLVED FURTHER THAT pursuant to the provisions of Sections 198, 269, 309 and 314 read with Schedule XIII of the Companies Act, 1956 (subject to the statutory modifications, re-enactments thereof for the time being in force), and enabling provisions of the Articles of Association of the Company, consent of the Members of the Company be and is hereby accorded to approve, confirm and ratify the appointment of Smt. Seema Rani Agarwal as a Joint Managing Director of the Company made by the Board of Directors in their meeting held on 24th December, 2008 to hold office for a period of 3 years with effect from 1st January 2009 to 31st December, 2011 on the following terms and conditions:

Salary: Rs. 80,000/- per month.

Commission: At the rate of 1% of the net profit of the Company or 40% of Annual Salary whichever is less.

Perquisites: In addition to the salary and commission as stated above Smt. Seema Rani Agarwal shall be entitled to the following perquisites:

Category A:

- a) **Housing:** Rent free furnished residential accommodation with all Facilities and amenities including such services as gas, electricity, water etc., or HRA to the extent of 40% of the salary.
- b) **Medical Reimbursement:** Expenses incurred for self and her family subject to ceiling of one month's salary per year or three month's salary in a period of three years whichever is less.
- c) **Leave Travel Concession:** For self and family once in a year incurred in accordance with the rules of the Company.



- d) Club Fee: Fees of clubs subject to a maximum of two clubs, admission and life membership fee not being allowed.
- e) Personal Accident insurance of an amount of premium of which not to exceed Rs. 4,000/- per month.

Category B:

- a) Contribution by the Company to 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 months salary for each completed year' of service.

Category C:

The Company shall provide a car with driver and a 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 ALSO THAT in absence or inadequacy of profits in any financial year, the above remuneration will be paid to Smt. Seema Rani Agarwal subject to the provisions of Part II of Schedule XIII of the Companies Act, 1956".

- 8. 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 Section 257 of the Companies Act, 1956, read with the enabling provisions of Articles of Association of the Company, Sri Mayank Agarwal, who has been appointed as an Additional Director on the Board and who holds office upto the commencement of this Annual General Meeting, be and is hereby appointed as a Director of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 198, 269, 309 and 314 read with Schedule XIII of the Companies Act, 1956 (subject to the statutory modifications, re-enactments thereof for the time being in force), and enabling provisions of the Articles of

Association of the Company, consent of the Members of the Company be and is hereby accorded to approve, confirm and ratify the appointment of Sri Mayank Agarwal as a Wholetime Director of the Company made by the Board of Directors in their meeting held on 27th July, 2009 to hold office for a period of 3 years with effect from 1st August 2009 to 31st July, 2012 on the following terms and conditions:

RESOLVED FURTHER THAT pursuant to provisions of Section 198, 269, and 309 read with Schedule XIII of the Companies Act, 1956 (subject to the statutory modifications, re-enactment thereof for the time being in force) and as per the enabling provisions of the Articles of Association of the Company, consent of the Members of the Company be and is hereby accorded for the appointment of Sri Mayank Agarwal as Whole-time Director of the Company for a period of 3 years with effect from 1st August 2009 to 31st July, 2012 on the following terms and conditions:

Salary: Rs. 64,300/- per month.

Commission: At the rate of 1% of the net profit of the Company or 40% of Annual Salary whichever is less.

Perquisites: In addition to the salary and commission as stated above Sri Mayank Agarwal shall be entitled to the following perquisites:

Category A:

- a) **Housing:** Rent free furnished residential accommodation with all Facilities and amenities including such services as gas, electricity, water etc., or HRA to the extent of 40% of the salary.
- b) **Medical Reimbursement:** Expenses incurred for self and his family subject to ceiling of one month's salary per year or three month's salary in a period of three years, whichever is less.
- c) **Leave Travel Concession:** For self and family once in a year incurred in accordance with the rules of the Company.



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- d) Club Fee: Fees of clubs subject to a maximum of two clubs, admission and life membership fee not being allowed.
- e) Personal Accident insurance of an amount of premium of which not to exceed Rs. 4,000/- per month.

Category B:

- a) Contribution by the Company to 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 months salary for each completed year' or service.

Category C:

The Company shall provide a car with driver and a 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 ALSO THAT in absence of or inadequacy of profits in any financial year, the above remuneration will be paid subject to the provisions of Part II of Schedule XIII of the Companies Act, 1956".

- 9. 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 16 & 94 and other applicable provisions, if any, of the Companies Act, 1956, (subject to the statutory modifications, re-enactments thereof for the time being in force), the Authorised Share Capital of the Company be and is hereby increased from the existing Rs.5,00,00,000/- (Rupees Five Crores only) to Rs. 7,00,00,000/- (Rupees Seven Crores only) divided into 50,00,000 Equity Shares of Rs.10/- each ranking pari-passu in all respects with the existing Equity Shares of the Company and 2,00,000 Preference Shares of Rs.100/- each, by creation of 5,00,000 new Equity Shares of Rs.10/- each and 1,50,000 new Preference

Shares of Rs. 100/- each, consequently the Clause No. V of the Memorandum of Association of the Company be substituted with the following new Clause (V).

(V). The authorised share capital of the Company is Rs.7,00,00,000/- (Rupees Seven Crores only) divided into 50,00,000 equity shares of Rs.10/- each and 2,00,000 preference shares of Rs.100/- each, with the power to increase, reduce, sub-divide, consolidate, convert into equity shares in accordance with the provisions of the Law from time to time.

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

"RESOLVED THAT pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the Articles 3 of the Articles of Association of the Company be and is hereby altered by substituting the following Clause (i) of Article 3 (a) in lieu of existing Clause thereof:

3 (a) (i) 'The authorized share capital of the Company is Rs.7, 00,00,000/- (Rupees Seven Crores only) divided into 50,00,000 Equity Shares of Rs.10/- each and 2,00,000 Preference Shares of Rs.100/- each, whether Cumulative Redeemable, Non-cumulative Redeemable, with a power to increase, reduce, subdivide, consolidate, convert into equity shares in accordance with the provisions of the law from time to time'."

for and on behalf of the Board
for Suryaamba Spinning Mills Limited

Place : Nagpur Virender Kumar Agarwal
Date : 27th July, 2009 Managing Director



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 thereat instead of himself/herself. 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 An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of the business set out under item nos. 7, 8, 9 and 10 are annexed.
- 3 The Registrar of Members and Share transfer books will remain closed from 11th September 2009 to 14th September 2009 (both days inclusive).
- 4 Dividend on Equity Shares and Preference Shares as recommended by the Directors for the Financial Year ended on 31st March 2009 when declared at the meeting will be paid on or after 20th September 2009. The final dividend on Equity Shares, if declared will be paid:
 - a) To all the beneficial owners in respect of shares held in electronic form as per the data as may be made available by the National Securities Depository Limited and the Central Depository (India) Limited as of the close of the business hours on 10th September, 2009;
 - b) To all the Shareholders in respect of shares held in physical form after giving effect to valid transfer requests lodged with the Company on or before the close of the business hours on 10th September 2009.
- 5 Members are requested to notify immediately any change of address to their depository participants in respect of their holding in Electronic Form and to Company's Registrar and Transfer Agent, i.e. M/s. Sathguru Management Consultant Pvt. Ltd., Unit: Suryaamba Spinning Mills Ltd. at

the address given elsewhere in this Annual Report in respect of their Physical Folio, if any.

- 6 The information required to be provided under the Listing Agreement entered into with the Stock Exchange regarding the Directors who are proposed to be appointed / re-appointed are given at the Explanatory Statement and in the report on Corporate Governance.
- 7 Members are requested to bring their copy of annual report with them at the time of attending the Annual General Meeting.
- 8 Members desiring any further information as regards the Accounts or Operations of the company are requested to write to the Company so as to reach at least one week prior to the date of Meeting for consideration of the management to deal at the meeting.

EXPLANATORY STATEMENT

[Pursuant to Section 173 (2) of the Companies Act 1956]

Item No. 7

Board of Directors have co-opted Smt. Seema Rani Agarwal on the Board as an Additional Director in their meeting held on 24th December, 2008 and also appointed her as a Joint Managing Director of the Company for a period of three years with effect from 1st January 2009, on terms and payment of remuneration as specified in the resolution.

In terms of the provisions of Section 260 of the Companies Act, 1956 she holds office upto the commencement of this Annual General Meeting. The Company has received a notice in writing from a member, proposing her candidature to the office of Director of the Company under the provisions of Section 257 of the Act.

Smt. Seema Rani Agarwal aged about 41 years is a Graduate in Arts has been working as Chief Executive Officer (CEO) of the Company since 1st March, 2008. Later she has been inducted on the Board and appointed as a Joint Managing Director with effect from 1st January, 2009. Her great experience in the field of business has



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resulted in the development of business acumen. Her experience is very helpful in running the unit economically & smoothly. Keeping in view of her rich expertise, her appointment will be in the interest of the Company. She is not holding directorships in any other Companies. Remuneration Committee has approved the remuneration of the appointee. Board of Directors recommends her appointment.

Sri Vithaldas Agarwal, Sri Virender Kumar Agarwal, Sri Mayank Agarwal and Smt. Seema Rani Agarwal, being relative to each other, are considered to be concerned or interested in the above resolution.

Item No. 8

Board of Directors have co-opted Sri Mayank Agarwal on the Board as an Additional Director in their meeting held on 27th July, 2009 and appointed him as Whole-time director of the Company for a period of three years with effect from 1st August, 2009, on terms specified in the resolution.

In terms of the provisions of Section 260 of the Companies Act, 1956 he holds office upto the date of this Annual General Meeting. The Company has received a notice in writing from a member proposing his candidature to the office of Director of the Company under the provisions of Section 257 of the Act.

Sri Mayank Agarwal is graduating in Industrial Engineering and has one year industrial experience. As he is of less than 25 years old, his appointment as Whole-time Director requires the approval of members by Special Resolution as required under Schedule XIII to the Companies Act, 1956. He is not holding directorships in any other Companies. Remuneration Committee has approved the remuneration of the appointee. Board of Directors recommends his appointment as a Director as well as a wholetime Director of the Company.

The above explanatory statement may be treated as an abstract of the terms of appointment required to be sent to all the members of the Company under Section 302 of the Companies Act, 1956.

Sri Vithaldas Agarwal, Sri Virender Kumar Agarwal, Smt. Seema Rani Agarwal and Sri Mayank Agarwal, being relative to each other, are considered to be concerned or interested in the above resolution.

Item No. 9 & 10

The present Authorised Share Capital of the Company consist of Rs. 5.00 Crores comprising 45 Lakhs Equity Shares of Rs. 10/- each and 50,000 Preference Shares of Rs. 100/- each. The Company, in order to meet its growth objectives and to strengthen its financial position, may be required to generate long term resources by issuing securities. The Board of Directors have considered it necessary and desirable to increase the Authorised Capital of the Company so that there will be scope for raising finance for the requirements of the Company by the issue of further Capital if and when considered necessary.

It is therefore deemed appropriate to increase the Authorised Share Capital of the Company from Rs. 5 crore to Rs. 7 crore and for that purpose, the Memorandum of Association and the Articles of Association of the Company are proposed to be suitably altered as set out at Item Nos. 9 & 10 of the accompanying Notice.

The provisions of the Companies Act, 1956 requires the Company to seek the approval of the Members for increase in the authorised share capital and for the alteration of capital clause of the Memorandum of Association and the Articles of Association of the Company.

The Board of Directors accordingly recommend the resolutions set out at Item Nos. 9 & 10 of the accompanying Notice for the approval of the Members.

None of the Directors of the Company is, in any way, concerned or interested in the said resolutions except to the extent to which they may participate in the enhanced capital.

for and on behalf of the Board
for Suryaamba Spinning Mills Limited

Place : Nagpur Virender Kumar Agarwal
Date : 27th July, 2009 Managing Director



DIRECTORS' REPORT

To
The Members,

Your Directors have pleasure in presenting their 2nd Annual Report on the business and operations together with Audited Annual accounts of your Company for the Financial year ended 31st March 2009.

FINANCIAL RESULTS

(Rs. in Lakhs)

Particulars	2008-09	2007-08 (for 9 months)
Sales and other Income	8649.62	6214.66
Profit Before interest and Depreciation	454.85	294.66
Interest and Finance Charges	182.69	128.93
Depreciation	180.31	133.76
Profit after Interest and Depreciation	91.84	31.97
Provision for Taxation		
(a) Current Tax	56.50	18.20
(b) Deferred Tax	23.15	5.01
Balance of Profit (or Loss)	12.20	8.76
Appropriations		
Transfer to General Reserve	0.25	-
Dividend on Equity Share	22.28	
Dividend on Preference Share	2.40	2.14
Dividend Tax	4.19	0.36
Preference Share Redemption Reserve	15.00	-
Surplus carried over to Balance Sheet	179.88	211.81

Note: Information for previous period pertains to nine months from 1.07.2007 to 31.03.2008.

Operations

This is the first full year of operations of the Company and previous period accounts include nine Months operational figures from 1st July 2007 to 31st March 2008 and hence the results are not comparable. During the year, your company has achieved a total turnover of Rs.8,649.62 Lacs (previous year is Rs.6,214.66 Lacs). The Company has earned a Profit before Tax of Rs.93.45 Lacs as against Rs. 31.97 Lacs for the previous year.

Exports

The export turnover (through merchant export) of your Company during the year was Rs.395.12 Lacs as against Rs.1,920.51 Lacs for the previous year. The decline in exports is due to slowdown in demand



in export markets due to recessionary trends prevailing across US and European countries. Your company has been exporting yarn to various countries like Turkey, Italy, Taiwan, Iran, Brazil, USA, Argentina, etc. and continues to explore new markets to improve the performance.

Future Outlook

The economy is showing sign of recovery. Major markets for Indian Textile and Clothing (T & C) export are the USA and Europe and they are showing sign of recovery. The domestic market has shown some signs 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. It was expected that the new government will take adequate steps to provide relief to the textile industry. 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.

Deposits

There were no overdue deposits as on 31st March 2009.

Dividend

Your Directors have recommended payment of dividend on Cumulative Redeemable Preference Shares as per the terms and conditions of the issue. The dividend will absorb a sum of Rs.2.39 Lakhs.

Your Directors are also pleased to recommend a dividend of 10% on the Equity Share capital of the Company for the Financial Year ended 31st March 2009. The dividend will absorb a sum of Rs. 22.28 Lakhs.

Redemption/Issue of Preference Shares:

During the year, your Company has redeemed 9,129 - 12% Cumulative Redeemable Preference Shares of Rs. 100/- each.

Transfer to Reserves

Your Company proposes to transfer Rs.0.25 Lakhs to General Reserve Account and Rs.15 Lakhs to Preference Share Redemption Reserve Account of the Company for the year.

Capital Expenditure

During the year under review, your company has incurred Rs.86.97 Lacs (Previous Year Rs.77.56 Lacs) towards capital expenditure (including capital work - in- progress).

Directors

The Directors Sri Vithaldas Agarwal and Sri Pundlik Sampatrao Thakare retires by rotation at the ensuing Annual General Meeting and being eligible, offers themselves for re-appointment. Board of Directors recommends their re-appointment.

During the year, Board of Directors co-opted Smt.Seema Rani Agarwal as an Additional Director and appointed her as a Joint Managing Director with effect from 1st January, 2009. It is proposed to regularize and ratify her appointment in the ensuing 2nd Annual General Meeting.

Directors Responsibility Statement

Pursuant to the requirements of Section 217(2AA) of the Companies Act, 1956, with respect to the Directors Responsibility Statement, the Board of Directors of your Company confirms:

- i) That in the preparation of annual accounts for the year ended 31st March 2009, the applicable accounting standards have been followed and there has been no material departure.
- ii) That your directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year ended on 31st March, 2009 and of the profit for the year under review.



- iii) That your directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities; and
- iv) Those annual accounts for the financial year ended 31st March 2009 have been prepared on a going concern basis.

Listing

Post-demergers of the Company, the Equity Shares of the Company are proposed to be listed at the Bombay Stock Exchange Limited under direct listing. Accordingly, the Bombay Stock Exchange Limited has sanctioned listing permission on the Equity Shares of the Company. The trading in Equity Shares are pending for want of exemption from the Securities and Exchange Board of India and which exemption is expected very soon.

Auditors

The auditors M/s. Brahmayya & Co. Chartered Accountants, Hyderabad, Statutory Auditors of the company will retire at the ensuing 2nd Annual General Meeting and they have signified their willingness to accept re-appointment and have confirmed their eligibility under Section 224 (1B) of the Companies Act 1956.

Auditors Qualification

No Qualification was made by the Auditors in their report on the accounts for the period ended 31st March 2009.

Corporate Governance

Corporate Governance Report, Management Discussion and Analysis Report and Certificate from Auditors of your Company regarding compliance of conditions of Corporate Governance as stipulated under Clause 49 of the

Listing Agreement with the Stock Exchange are attached to this Report and forms part of this report.

Conservation of Energy, Technology Absorption, Foreign Exchange Earning and Outgo.

The details as required under the Companies (Disclosure of particulars in the report of Board of Directors) Rules 1988 are given in the Annexure -1 and form part of the report.

Employees

No employee was in receipt of remuneration in excess of the limits prescribed under Section 217 (2A) of the Companies Act, 1956 read with the Companies (particulars and employee) Rule, 1975 and hence the prescribed information is not required to be given.

Acknowledgement

The Board of Directors pleased to place on record their appreciation of the cooperation 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
for Suryaamba Spinning Mills Limited

Virender Kumar Agarwal Seema Rani Agarwal
Managing Director Joint Managing Director

Place : Nagpur
Date : 29th June, 2009



Annexure -1

Annexure to Directors' Report

Details required under Companies (Disclosure of particulars in report of Board of Directors) Rules, 1988 read with clause (e) of sub- Section (1) of Section 217 of the Companies Act, 1956.

A) Conservation of Energy

a) Energy conservation measures taken

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.

b) The above measures have reflected in reduction of energy consumption during the year.

c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods.

d) Total energy consumption and energy consumption per unit of production as per Form A is given below.

FORM - A

Form for Disclosure of particulars with respect to Conservation of Energy

Sl. No.	Particulars	2008-09	2007-08
A	Power and Fuel Consumption		
1)	Electricity		
a)	Purchased Unit	16950660	13400146
	Total Amount (Rs.In Lacs)	676.28	541.70
	Average Rate: (Rs./Unit)	3.99	4.04
b)	Own Generation :		
	Through Diesel Generators	Nil	Nil
	Units (In Lacs of KWH)	Nil	Nil
	Units per liter of diesel oil	Nil	Nil
2)	Coal (Rs.In Lacs)	Not Used	Not Used
3)	Furnace Oil	Not Used	Not Used
4)	Others	Not Used	Not Used
B	Consumption per Unit of Production		
	Electricity (Units /kg of yarn)	1.86	1.94
	Coal Not Used Not Used		
	Furnace Oil	Not Used	Not Used
	Others	Not Used	Not Used

B) Technology absorption:

(e) efforts made in technology absorption as per Form B:



FORM B

Form for disclosure of particulars with respect to absorption

Research & Development (R&D)

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.

- | | | | |
|---|--|---|---|
| 1 | Specific Areas in which R&D carried out by company | : | The company is having good R&D introduction and development of value added products |
| 2 | 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 |
| 3 | Future Plans of Action | : | To developed more value added products and improve further quality of the products. |
| 4 | 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 |

Technology Absorption adaptation and innovation

- | | | | |
|----|--|---|---|
| 1 | Efforts in brief, made towards technology absorption and innovation | : | The company has adapted indigenous technology and made innovation on the same. |
| 2 | Benefits derived as result of the above efforts | : | Product improvement, increase in yield and quality has resulted in increase in turnover |
| 3 | In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year) Following information may be furnished | : | No technology has been imported |
| a) | Technology Imported | : | Nil |
| b) | Year Of import | : | Not Applicable |
| c) | Has technology been fully absorbed | : | Not Applicable |
| d) | If not fully absorbed, area where this has not taken place reasons therefore and future plans of actions | : | Not Applicable |

C. Foreign Exchange Earning & Outgo:

- | | | | |
|----|--|---|--|
| a) | 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 |
|----|--|---|--|



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Total foreign exchange used and earned :

(Rs. in Lakhs)

	2008-09	2007-08
(i) Foreign Exchange earned	NIL	NIL
FOB value of exports	NIL	NIL
(ii) Foreign Exchange used	NIL	NIL
Import of capital goods	NIL	NIL
Foreign travel	NIL	1.30
Commission on export sales	NIL	NIL
Raw Materials	NIL	NIL
Spares	14.83	19.38

for and on behalf of the Board
for Suryaamba Spinning Mills Limited

Place : Nagpur
Date : 29th June, 2009

Virender Kumar Agarwal
Managing Director

Seema Rani Agarwal
Joint Managing Director



MANAGEMENT DISCUSSION AND ANALYSIS

ORGANISATION - PROFILE

Suryaamba Spinning Mills Limited is a well-known producer of Yarn and is engaged in manufacture of Synthetic blended yarns of Polyester / Viscose, 100% Polyester and 100% Viscose with counts ranging from 20s to 45s. The Company has capacity of 28,080 spindles and has been awarded ISO Certification. It has plans to increase the capacity to 31,680 spindles by addition of 3,600 spindles to its existing plant capacity.

INDUSTRY STRUCTURE AND DEVELOPMENT

Textile industry is a \$49 billion industry in India and constitutes about 4% of GDP. The Indian Textile and Clothing (T & C) exports contribute around 12% to foreign exchange earnings. During the year 2008-09, T & C exports have shown a flat growth on account of economic slowdown in major T & C export markets. This was effected by a host of factors both internal and external during the year. On the domestic front, widening of the gap between demand and supply in power, peak increase in prices of raw materials, fluctuation in exchange rates flowed by the tightening / loosening of money supply in the domestic market by RBI, etc. In addition to this, economic slowdown in the US followed by EU pushing down the purchase baskets in the developed countries. Due to high inflation rate for most of the period of the year, there were reduced demand for textile items coupled with increased number of cancellations of export orders, reduction in export quantities, extension of delivery periods and reduced prices because of fluctuations in forex rates, etc. All these factors had affected the operations of the textile & clothing industry drastically.

FUTURE OUTLOOK - BRIGHTER PROSPECTS FOR INDIAN TEXTILE EXPORTS

The economy is showing sign of recovery. Major markets for Indian Textile and Clothing (T & C) export are the USA and Europe and they are showing sign of recovery. The domestic market has shown some signs 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. If the quality and productivity levels are achieved as per international parameters, then the industry will be able to combat and face the recession and post recession effect. Also, it was expected that the new government will take adequate steps to provide relief to the textile industry. The major markets for Indian Textile and Clothing exports are the USA and Europe. We need to diversify T & C exports and seek new opportunities in the new markets like Gulf Cooperation Countries (GCC) namely Bahrain, Kuwait, Oman, Saudi Arabia, Qatar and UAE, Africa, Latin America, Russia and Oceania to withstand competition from our neighboring countries.

SWOT Analysis

Strengths

- Experienced management team having good command over consistent quality and high productivity.
- Good reputation in the market due to quality and timely supplies.
- Low debt-equity ratio resulting into low financial costs.

Weaknesses

- Disadvantage of increasing power tariff and other input costs.

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.



Threats:

- Threat of import of cheap Chinese yarn in India as well as global market
- Raw materials cost is major constituent of finished product cost, although it is common to all spinning units. The market is highly competitive and is highly price sensitive.
- Slowdown in economy.

RISKS AND CONCERNS

The Indian economy has been growing consistently and consumer spending has been increasing over the last three years. However, steep inflation may have negative impact on consumer demand for household articles, including textiles and apparels. Further, removal of quota regime has resulted in global competition and every country has to become cost competitive. We suffer on account of poor infrastructure, high transaction cost, not so favourable 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. The industry needs focussed efforts to replace with advanced technology equipment, to improve quality of product, to reduce cost of conversion and to make a clear analysis of its manpower requirements and increasing skills through training programmes. The appreciation in rupee value could also be turned into an advantage by using the opportunity to modernise quickly by acquiring the necessary ingredients. According to the experts in the industry, better quality standards, upgradation of technology in the Indian Textile sector coupled with branding as a tool could help gaining a larger share of the global exports in the post quota regime.

OUTLOOK

The value of total textile exports in terms of both rupees and dollar terms has shown an increasing trend, during the corresponding last year. However, the decline was sharp in US\$ terms as against rupee terms. As per the estimates

released by Directorate General of Commercial Intelligence and Statistics (DGCI&S), Kolkata, for the month of February 2009 there was a decline of 13.77% in case of cotton yarn, fabrics in rupee terms. Imports have increased across all segments. So, the Company needs to take steps to increase its export as compared to increased imports during the last year.

The company has advantages that enable it to leverage these opportunities. With its expansion plans on track, the company has the capabilities to service large volume needs of international and domestic customers at the right time. The end-to-end value chain enables the company to offer competitive prices, since input costs are minimized. The Company has well laid distribution channels to reach its target market.

INTERNAL CONTROLS AND THEIR ADEQUACY

The Company's internal control systems are critically and regularly reviewed by both external and internal auditors. 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 appraised of the key risks.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The gross turnover of your Company for 2008-09 was Rs. 8,649.62 lacs (Rs. 6,214.66 lacs in the previous year). The production during the year was 91.00 Lacs kgs. of yarn (68.95 Lacs kgs. in the previous year). Previous year comprised of 9 months and hence are not comparable.

The Company has earned a Profit Before Tax of Rs. 93.45 Lacs for 2008-09 (Rs. 31.97 Lacs in the previous year) and profit after tax of Rs. 12.20 Lacs (Rs. 8.76 Lacs in the previous year). During the year 2008-09, the textile industry was under



pressure in all quarters. The prices of Raw material touched high in the first and second quarters due to sharp appreciation of the dollar against rupee and the rise in prices of raw material not fully absorbed by the market. Global recession impacted the export market and thus resulted in excessive supply into the domestic markets. The trend seems to reverse in coming years.

HUMAN RESOURCE DEVELOPMENT AND INDUSTRIAL RELATIONS

Human Capital is the most valuable resource of an organization. Development of human capital has always been the thrust area of the Company. The success of any business lies under the qualified, trained & motivated Human Resources. The Company gives more importance to the development of Human Resources than any other resources. The Company updates its HR policy in line with the changing system in the industry as a whole the Company takes adequate steps for maintaining safety and healthy environment for the workers. The Industrial relations continue to be cordial, throughout the year. Your Directors place on record their sincere appreciation for the excellent team work displayed by the employees of the Company.

CAUTIONARY STATEMENT

The management of Suryaamba Spinning Mills Limited has prepared and is responsible for the financial statements that appear in this report. These are in conformity with accounting principles generally accepted in India and, therefore, include amounts based on informed judgments and estimates. The management also accepts responsibility for the preparation of other financial information that is included in this report. Statements in this management discussion and analysis describing the company's objectives, projections, estimates and expectations may be "forward looking statements" within the meaning of applicable laws under regulations. The management has based these forward-looking statements on its current expectations and projections about future events. Such statements involve known and unknown risks, significant changes in the political and the economic environment in India or key markets abroad, tax laws, litigation, labour relations, exchange rate fluctuations, interest and other costs and may cause actual results to differ materially.



REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company believes that sound corporate governance is critical to enhance and retain investor trust. Accordingly, we always seek to ensure that we attain our performance with integrity. Our Board 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 interactions with its stakeholders, including shareholders, employees and the Government.

Suryaamba Spinning Mills Limited, since its inception has been committed to the highest standards of Corporate Governance practices. The Board of Directors fully support and endorse Corporate Governance practices and attempt to go beyond the statutory requirements.

2. BOARD OF DIRECTORS

Composition, category of Directors and attendance record for the year 2008-2009:

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. Presently it consists of 7 Directors out of which 2 are Executive Directors, 4 are Non-executive Independent Directors and one Non-executive non-independent Director. The Non Executive Directors bring independent views and judgment in the decision making process of the Board.

Constitution of the Board and participation of Directors at meetings of the Board during the year 2008-09.

Name of the Director	Category	Board meetings attended	Attendance at last AGM held on 18.09.2008	Share holding
Sri R. Surender Reddy	Non-Executive Independent	2	Yes	2400
Sri Ravinder Kumar Agarwal	Non-Executive Independent	3	-	100
Sri Sanjiv A Agrawal	Non-Executive Independent	2	-	0
Sri Pundlik Sampatrao Thakare	Non-Executive Independent	4	Yes	0
Sri Vithaldas Agarwal	Non-Executive/ Promoter	3	Yes	14600
Sri Mahender Kumar Agarwal ¹	Non-Executive/ Promoter	1	Yes	5000
Sri Virender Kumar Agarwal	Executive/ Promoter	5	Yes	891191
Smt.Seema Rani Agarwal ²	Executive/ Promoter	0	NA	427250

1 Sri Mahender Kumar Agarwal had resigned from the office of Director w.e.f. 29th November, 2008.

2 Smt.Seema Rani Agarwal appointed on the Board w.e.f. 1st January, 2009.



SURYAAMBA SPINNING MILLS LIMITED

Number of other Companies' Directorships & Committee Membership / Chairmanship:

Name of the Director	Other Directorships	Committee Membership	Committee Chairmanship
Sri R. Surender Reddy	8	7	4
Sri Ravinder Kumar Agarwal	2	Nil	Nil
Sri Sanjiv A Agrawal	Nil	Nil	Nil
Sri Pundlik Sampatrao Thakare	Nil	Nil	Nil
Sri Vithaldas Agarwal	1	Nil	Nil
Sri Virender Kumar Agarwal	Nil	Nil	Nil
Smt.Seema Rani Agarwal	Nil	Nil	Nil

Other Directorships do not include alternate Directorships, Directorships in Private Companies, Section 25 Companies and of Companies incorporated outside India. Chairmanship / Membership of Board Committees include only Audit and Shareholders / Investors Grievance Committees.

Number of Board meetings held and their dates:

During the period under review Five Board meetings were held on 23rd June 2008, 28th July 2008, 25th October 2008, 24th December 2008, and 31st January 2009. The maximum time-gap between any two consecutive meetings did not exceed four months.

RE-APPOINTMENT OF RETIRING DIRECTORS:

In accordance with the Articles of Association of the Company, Sri Vithaldas Agarwal and Sri. Punlik Sampatrao Thakare, Directors of the Company will retire at the ensuing 2nd Annual General Meeting of the Company and, being eligible, offer themselves for re-appointment.

Brief Resume of Director seeking re-appointment

Sri Vithaldas Agarwal (69)

Sri Vithaldas Agarwal, 69 Years is a first generation Entrepreneur. He has over 40 years of experience in the field of Textiles. He is having vast experience and expertise in textile business particularly in handling purchase of inputs, marketing of products, customer relation and overall administration. He is a Promoter and Managing Director in M/s. Suryalata Spinning Mills Limited. He is holding 14,600 Equity Shares of the Company.

Names of Companies in which he is a Director

Suryalata Spinning Mills Limited

Sri Pundlik Sampatrao Thakare

Sri Pundlik Sampatrao Thakare is a practicing Chartered Accountant at Nagpur having vast experience of 33 years in the field of accounts and finance. He is not holding any directorships in other Companies. He is not holding any equity shares in the Company.

Smt. Seema Rani Agarwal (41)

Smt. Seema Rani Agarwal aged about 41 years is a Graduate in Arts has been working as Chief Executive Officer (CEO) of the Company since 1st March, 2008. Later she has been inducted on the Board and appointed her as a Joint Managing Director with effect from 1st January, 2009. Her great experience in the field of business has resulted in the development of business acumen. Her



experience is very helpful in running the unit economically & smoothly. She is not holding any other directorships with other Companies.

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 26-02-2008.

a) Brief description of terms of reference: The terms of reference include the following:

- i) Authority to investigate into any matter that may be prescribed under the Act and for the purpose the audit committee shall have full access to information contained in records of the Company and external professional advice, if necessary.
- ii) Conduct discussions with auditors periodically about internal control systems, the scope of audit including the observations of the auditors
- iii) Review of quarterly, half yearly and annual financial statements.
- iv) Recommendations made by audit committee on any matter relating to the financial statements shall be binding on the board.

b) Composition and Chairperson:

1.	Sri Pundlik Sampatrao Thakare	Chairman
2.	Sri Ravinder Kumar Agarwal	Member
3.	Sri Sanjiv A Agrawal	Member

All the members of the Committee are Non-Executive and Independent Directors.

c) Meetings and Attendance during the year:

During the year under review, four Audit Committee meetings were held on 23rd June 2008, 28th July 2008, 25th October 2008, and 31st January 2009. The attendance of each member of the Committee is given below:

1.	Sri Pundlik Sampatrao Thakare	4
2.	Sri Ravinder Kumar Agarwal	1
3.	Sri Sanjiv A Agrawal	3

4. REMUNERATION COMMITTEE

a) Brief description of terms of reference:

To formulate a remuneration policy, review and recommend remuneration payable to Executive Directors of the Company.

b) Composition and Chairperson:

1.	Sri Ravinder Kumar Agarwal	Chairman
2.	Sri Sanjiv A Agrawal	Member
3.	Sri Pundlik Sampatrao Thakare	Member

All the members of the Committee are Non-Executive and Independent Directors.



SURYAAMBA SPINNING MILLS LIMITED

c) Attendance during the year:

During the year under review, 1 Remuneration Committee meeting was held on 24th December 2008. The attendance of each member of the Committee is given below:

1.	Sri Ravinder Kumar Agarwal	1
2.	Sri Sanjiv A Agrawal	0
3.	Sri Pundlik Sampatrao Thakare	1

d) Remuneration policy:

To periodically review the remuneration package of Managerial Personnel and recommend suitable revision to the Board.

e) Details of remuneration paid to Directors:

A detail of remuneration paid to Managerial Persons of the Company during the year 2008-2009 is given below:

Sri Virender Kumar Agarwal - Managing Director			
Salary (Rs.)	Perquisites (Rs.)	Contribution to Provident Fund (Rs.)	Total (Rs.)
11,40,000	7,66,960	1,36,800	20,43,760

Smt. Seema Rani Agarwal - Joint Managing Director			
Salary (Rs.)	Perquisites (Rs.)	Contribution to Provident Fund (Rs.)	Total (Rs.)
2,40,000	1,07,994	–	3,47,994

The Company does not have any stock option plan or performance linked incentive for the Executive Directors. The appointments are made for a period of three years on the terms and conditions mentioned in the respective resolutions passed by the shareholders of the Company in general meetings, which do not provide for severance fees.

A detail of Sitting Fees paid to the Non-Executive Directors for attending Board and Committee meetings during the financial year 2008-09 is given below:

Sl. No.	Name of the Director	Sitting Fees paid (Rs.)
1.	Sri R. Surender Reddy	4,000
2.	Sri Ravinder Kumar Agarwal	8,000
3.	Sri Sanjiv A Agrawal	10,000
4.	Sri Pundlik Sampatrao Thakare	16,000
5.	Sri Mahender Kumar Agarwal	2,000
6.	Sri Vithaldas Agarwal	2,000



5. SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE

- a) Composition and brief terms of reference:

The Shareholders/Investors Grievance Committee consists of

1.	Sri Sanjiv A Agrawal	Chairman
2.	Sri Ravinder Kumar Agarwal	Member
3.	Sri Pundlik Sampatrao Thakare	Member

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.

- b) Name and designation of the Compliance Officer:

Sri Virender Kumar Agarwal, Managing Director, has been appointed as Compliance officer w.e.f. 18th March 2009 in view of resignation of Company Secretary.

Number of Shareholders complaints received so far:

No Complaints received by the Company during the year-ended 31.03.2009.

- c) Number of Shareholders complaints not resolved to the satisfaction of shareholders: Nil
d) Number of pending share transfers: Nil

6. GENERAL BODY MEETINGS

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

Financial year	Date	Venue	Time
2007-08	18.09.2008	Kamat Lingapur Hotel, 1-10-44/2, Chikoti Gardens, Begumpet, Hyderabad - 500016	4.00 P.M.

Special Resolution passed in the previous three (3) Annual General Meetings (AGMs)

At the previous AGM held on 18th September 2008, a special resolution passed relating to change in place of keeping records/registers.

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

No Extra-Ordinary General Meetings were held during the financial year.

- b) Whether special resolutions were put through postal ballot last year, details of voting pattern: NO
c) Person who conducted the postal ballot exercise: NOT APPLICABLE
d) Whether any resolutions are proposed to be conducted through postal ballot: NO
e) Procedure for Postal Ballot: NOT APPLICABLE

7. DISCLOSURES

- a) CEO and CFO Certificate

The Managing Director and Manager (Finance) have given a Certificate to the Board of Directors as contemplated in Clause 49 of the listing agreement and the same is disclosed at the end of this Report.

- b) Disclosures on materially significant related party transactions, i.e., transactions of the Company of material nature with the promoters, the directors or the management, their subsidiaries or



relatives etc. that may have potential conflict with the interests of the Company at large.

There were no materially significant related party transactions having potential conflict with the interests of the company at large. Transactions with related parties are disclosed in Note No.19 of Notes on Accounts under Schedule 21.

- c) Details of non-compliance by the Company, penalties, strictures imposed on the Company by the Stock Exchange(s) or Securities and Exchange Board of India (SEBI) or any other statutory authority on any matter related to the Capital Markets during the last 3 years: Nil

8. MEANS OF COMMUNICATION.

- a) Half yearly report 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:
During the year under review, the Company was not required to publish the un-audited results as listing with the Stock Exchange was due. The Company will publish the results for the current year in Financial Express (English Daily, Hyderabad and Mumbai) and Andhra Prabha (Telugu Daily).
- c) Website, where the results and other official news releases are displayed.
The website of the Company is under construction.
- 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.

GENERAL SHAREHOLDER INFORMATION

- a) Annual General Meeting

Date	: 14th September, 2009
Time	: 3.00 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 : 11.09.2009 to 14.09.2009
(Both days inclusive)
- d) Dividend Payment Date : Within 30 days from the date of Annual General Meeting.
- e) Listing on Stock Exchanges : Listing is permitted on 29-04-2009 by Bombay Stock Exchange Limited (BSE).
However, trading permission is pending.

The Company's shares are listed at the following Stock Exchange(s)

Name and Address of the Stock Exchange	Scrip Code
Bombay Stock Exchange Limited, Mumbai (BSE) Phiroze Jeejeebhoy Towers, Dalal street, Mumbai - 400 001.	Yet to be allotted

The listing fee for the year 2009-10 has been paid to Stock Exchange.

- f) Market Price Data: High, low during each month in last financial year and performance in comparison to broad-based indices such as BSE Sensex, CRISIL index, etc.
Listing of Shares of the company is permitted in Bombay Stock Exchange vide letter No. DCS/AMAL/VB/IP/59/2009-10 dated 29th April 2009. Trading permission is pending for want of approval / exemption from SEBI. Hence no data is available.



g) Registrar & Transfer Agents:

M/s. Sathguru Management Consultants Private Limited
Plot No.15, Hindi Nagar, Panjagutta, Hyderabad- 500 034.
Phone No. 040-23356975/23356507/23350586
Fax No.040-40040544
E-Mail: sta@sathguru.com

h) 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 Registrar and Share Transfer Agent is Sathguru Management Consultants Private Limited, Hyderabad, who look after shares transfers and other related works.

The Company ensures that all transfers are effected within a period of one month from the date of their lodgment with the Company.

In terms of SEBI circular No. D&CC/FITTC/CR-16 dated 31.12.2002, Secretarial Audit will conduct on a 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/paid up equity capital of the Company. Certificates so placed before the Board of Directors and are also forwarded to Bombay Stock Exchange Limited, where the shares of the Company are listed.

(i) Distribution of Shareholding:

(i) Shareholding pattern as on 31st March 2009

Sl. No	Category	No. of Shares held	Percentage of shareholding
1.	Promoters	1380281	61.95
2.	Mutual Funds and UTI	104	0.01
3.	Banks, Financial Institutions, Insurance Companies (Central/ State Government Institutions/ Non-Government Institutions)	870	0.04
4.	Corporate Bodies	86034	3.86
5.	Public	755118	33.89
6.	NRIs/OCBs	0	0
	Others	5593	0.25
	TOTAL	2228000	100



SURYAAMBA SPINNING MILLS LIMITED

(ii) Distribution of Shareholding as on 31st March 2009.

No. of Equity Shares held	Share Holders		Shares	
	Number	% to	in Rs.	% of
1 - 5000	3460	93.21	3283200	14.74
5001 - 10000	127	3.42	922550	4.14
10001 - 20000	59	1.59	824930	3.70
20001 - 30000	16	0.43	398930	1.79
30001 - 40000	13	0.35	450380	2.02
40001 - 50000	4	0.11	176570	0.79
50001 - 100000	13	0.35	975950	4.38
100001 - Above	20	0.54	15247490	68.44
TOTAL	3712	100.00	22280000	100.00
Physical mode	966	26.02	3013500	13.53
Demat mode	2746	73.98	19266500	86.47

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

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

As on 31.03.2009, 1926650 Equity shares were dematerialized representing 86.47% of the total paid up equity share capital of the Company. The ISIN allotted to the company's scrip is INE360J01011.

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

l) **Plant Locations:**

Mouza-Nayakund
Near Ramtek,
Nagpur, Maharashtra.

m) **Address for Correspondence:**

i) For transfer/dematerialization of shares, change of address of members and other queries relating to the shares of the company:

Sathguru Management Consultants Private Limited
Plot No.15, Hindi Nagar,
Panjagutta,
Hyderabad-500 034.
Phone No. 23350586/23356507.
Fax No. 040-40040544
Email:sta@sathguru.com



SURYAAMBA SPINNING MILLS LIMITED

- ii) Any queries relating to dividend, annual reports etc.,
The Compliance Officer,
Suryaamba Spinning Mills Limited
Surya Towers, 1st Floor, 105, Sardar Patel Road,
Secunderabad - 500 003.
Andhra Pradesh.
Phone No.040-27819908/27819909
Fax No. 040-27846859.
E-mail: samba.ngp@gmail.com

Auditors Certificate on Corporate Governance

A certificate issued by the Statutory Auditors of the Company with regard to compliance of conditions of Corporate Governance is attached to this report.

NON-MANDATORY REQUIREMENTS

- a) Chairman of the Board

A Non-Executive Chairman heads the Board of Directors of the Company.

- b) Remuneration Committee

The Board has constituted a Remuneration Committee consisting of the following three Non-Executive and Independent Directors:

1.	Sri Ravinder Kumar Agarwal	Chairman
2.	Sri Sanjiv A Agrawal	Member
3.	Sri Pundlik Sampatrao Thakare	Member

The Committee reviews and recommends to the Board with regard to remuneration package payable to the Managerial Personnel.

- c) Shareholder Rights

As the quarterly, half yearly and annual results are published in leading newspapers having wide circulation, the same are not sent to individual shareholders of the Company.

- d) Postal Ballot

The Company had no occasion to place a resolution requiring Postal Ballot for shareholders' approval.

for and on behalf of the Board
for Suryaamba Spinning Mills Limited

Place : Nagpur
Date : 29th June, 2009

Virender Kumar Agarwal
Managing Director

Seema Rani Agarwal
Joint Managing Director



AUDITORS' CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE

To
The Members of
Suryaamba Spinning Mills Limited
Secunderabad.

We have examined the compliance of conditions of Corporate Governance by SURYAAMBA SPINNING MILLS LIMITED for the year ended 31st March, 2009 as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchange in India.

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

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

We state that in respect of Investor grievances received during the year ended 31st March, 2009, no investor grievances are pending against the Company as per the records of the company. We further state that such Compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

for BRAHMAYYA & Co.,
Chartered Accountants

Place : Hyderabad
Date : 29.06.2009

K.S. RAO
Partner
Membership No. 15850



**Certificate by the Chief Executive Officer (CEO) and
Chief Financial Officer (CFO)**

We, Virender Kumar Agarwal, Managing Director and Nitin B. Halbe, Manager (Finance) 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, 2009 and certify that to the best of our knowledge and belief;
- 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.
- e) We affirm that we have not denied any personnel access to the Audit Committee of the Company (in respect of matters involving alleged misconduct).
- f) We further declare that all Board Members and designated Senior Management have affirmed compliance with the Code of Conduct for the Current year.

for and on behalf of the Board
for Suryaamba spinning Mills Ltd.

Virender Kumar Agarwal
Managing Director

Place : Nagpur
Date : 27th June, 2009

Nitin B. Halbe
Manager (Finance)



Auditors' Report

To the Members of
Suryaamba Spinning Mills Limited
Secunderabad.

1. We have audited the attached Balance Sheet of **SURYAAMBA SPINNING MILLS LIMITED, SECUNDERABAD, (A.P)** as at 31st March 2009 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 (as amended), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - iii) The Balance Sheet, Profit and Loss Account and Cash Flow statement dealt with by this report are in agreement with the books of account.
 - iv) In our opinion, the Balance Sheet, Profit and Loss account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - v) On the basis of the written representations received from the directors, as on 31st March, 2009 and taken on record by the Board of Directors, we report that, none of the directors is disqualified as on 31st March, 2009 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
 - vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read in conjunction with the Schedules annexed therewith give the information required by the Companies Act, 1956, 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, 2009;
 - b) in the case of the Profit and Loss account, of the Profit of the Company 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.

for **BRAHMAYYA & CO.,**
Chartered Accountants.

K.S. RAO

Partner

Place : Hyderabad

Date : 29.06.2009

Membership No.15850



SURYAAMBA SPINNING MILLS LIMITED

Annexure to the Auditors' Report: referred to in paragraph 3 of our report of even date,

Re: SURYAAMBA SPINNING MILLS LIMITED,
SECUNDERABAD.

1. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
b) As explained to us, the management has physically verified most of the fixed assets during the year and there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of the assets. As informed, no material discrepancies were noticed on such verification.
c) During the year the Company has not disposed off any of its fixed assets.
2. a) The Inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
b) In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
c) The Company is maintaining proper records of inventory. The discrepancies noticed on physical verification between the physical stocks and book records were not material.
3. a) The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act 1956.
b) In view of our comment in paragraph 3(a) above, III (b), (c) & (d) of paragraph 4 of the aforesaid order are not applicable to the company.
c) During the year, the company had taken unsecured loans from two parties covered in the register maintained under section 301 of the companies Act 1956 and the maximum amount involved during the year was Rs.113.76 lakhs.
- d) In our opinion the rate of interest and other terms and conditions on which loans have been taken from the other parties listed in the register maintained under section 301 of the Companies Act 1956 are not prima-facie prejudicial to the interests of the company.
- e) According to the information and explanation given to us, terms have been stipulated for payment of the principal amount and interest thereon. The company is regular in payment of the principal amount and interest thereon.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and with regard to sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
5. a) According to the information and explanations given to us by the Management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register to be maintained under that section.
b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 58A and 58AA and other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public.



7. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
8. We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 in respect of yarn and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. The Central Government has not prescribed the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 for any other products of the company.
9. a) According to the records of the Company, apart from certain instances of delays the Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it.
b) According to the information and explanations given to us, undisputed amounts payable in respect of Income Tax, Wealth Tax, Service Tax, Sales Tax, Customs Duty, Excise Duty and Cess were in arrears, as at 31st March, 2009 for a period of more than six months from the date they became payable.
10. The Company has no accumulated losses at the end of the financial year. The Company has not incurred any cash losses during the financial year covered by our audit and immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institutions and banks.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditors Report) Order, 2003 and not applicable to the Company.
14. The Company is not dealing or trading in shares, securities, debentures and other investments. Therefore, the provisions of clause 4(xiv) of the Companies (Auditors Report) Order, 2003 and not applicable to the Company.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
16. In our opinion and according to the information and explanations given to us the term loans were applied for the purpose for which the loans were raised.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the company, we report that no funds raised on short-term basis have not been used for long-term investment.
18. During the year, the Company has not made any preferential allotment of Shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. During the year, the Company has not issued any debentures, therefore the question of creating security or charge in respect thereof does not arise.
20. During the year, the Company has not made any public issue and therefore the question of disclosing the end use of money raised by public issue does not arise.
21. Based upon the audit procedures performed and according to the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year.

for BRAHMAYYA & CO.,
Chartered Accountants.

K.S. RAO
Partner

Place : Hyderabad
Date : 29.06.2009

Membership No.15850



SURYAAMBA SPINNING MILLS LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2009

	Schedule Reference		As at 31.03.2009 Rs.		As at 31.03.2008 Rs.
SOURCES OF FUNDS:					
Share Holders Funds:					
Share Capital	1	2,42,43,700		2,51,56,600	
Reserves & Surplus	2	<u>17,06,20,394</u>	19,48,64,094	<u>17,22,87,783</u>	19,74,44,383
Loan Funds:					
Secured Loans	3	13,92,20,768		14,77,34,350	
Unsecured Loans	4	<u>1,13,76,747</u>	15,05,97,515	<u>1,07,60,320</u>	15,84,94,670
Deferred Tax Liability			<u>3,31,91,371</u>		<u>3,08,76,749</u>
Total			<u>37,86,52,980</u>		<u>38,68,15,802</u>
APPLICATION OF FUNDS:					
Fixed Assets					
Gross Block	5	38,95,20,822		38,29,35,302	
Less : Depreciation		<u>15,56,94,023</u>		<u>13,93,16,197</u>	
Net Block			23,38,26,799		24,36,19,105
Current Assets, Loans & Advances:					
Inventories	6	3,94,15,366		4,36,01,737	
Sundry Debtors	7	10,36,72,029		8,15,59,024	
Cash and Bank Balances	8	63,00,369		10,06,618	
Loans and Advances	9	<u>4,11,90,677</u>		<u>6,59,37,143</u>	
		19,05,78,441		19,21,04,522	
Less : Current Liabilities					
& Provisions	10	<u>4,61,23,670</u>	14,44,54,771	<u>4,93,25,661</u>	14,27,78,861
Miscellaneous Expenditure	11		<u>3,71,410</u>		<u>4,17,836</u>
Total			<u>37,86,52,980</u>		<u>38,68,15,802</u>
Notes on Accounts	22				
Accounting Policies	23				

The Schedules referred to above form part of the Balance Sheet

As per our report of even date
for **BRAHMAYYA & CO.,**
Chartered Accountants

for and on behalf of the Board

K.S. RAO
Partner

VIRENDER KUMAR AGARWAL
Managing Director

SEEMA RANI AGARWAL
Joint Managing Director

Place : Nagpur
Date : 29th June, 2009

NITIN B HALBE
Manager (Finance)



SURYAAMBA SPINNING MILLS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

	Schedule Reference	Year ended 31.03.2009 Rs.	Year ended 31.03.2008 Rs.
INCOME			
Sales	12	86,36,16,904	62,42,16,685
Less: Excise duty		-	33,97,006
Net Sales		86,36,16,904	62,08,19,679
Other Income	13	13,44,693	6,46,594
Total		86,49,61,597	62,14,66,273
EXPENDITURE			
Raw material Consumed	14	60,28,71,439	45,20,35,048
Stores Consumed	15	2,10,01,173	1,75,90,318
Power & Fuel	16	6,76,28,444	5,41,69,547
Payments & Benefits to Employees	17	5,93,70,270	4,40,95,523
Other expenses	18	5,45,64,925	3,82,14,881
Finance charges	19	1,82,69,080	1,28,93,386
Managerial Remuneration		23,91,754	1,53,900
Depreciation		1,80,31,247	1,33,75,589
(Increase)/Decrease in Stocks	20	1,14,42,180	-1,43,05,418
Preliminary Expenditure written off		46,426	46,426
Total		85,56,16,938	61,82,69,200
Less: Prior Period Adjustments	21	93,44,659 (1,60,476)	31,97,073 -
Profit for the year		91,84,183	31,97,073
Less : Provision for Taxation			
- For the year		50,00,000	18,00,000
- For earlier years		2,00,000	-
- Deferred tax		23,14,622	5,01,252
- Fringe Benefit tax		2,50,000	20,000
- FBT for earlier years		2,00,000	-
Profit after Tax		12,19,561	8,75,821
Profit brought forward from last year		2,11,81,183	2,05,55,881
Amount available for appropriation		2,24,00,744	2,14,31,702
APPROPRIATIONS			
Proposed Dividend:			
Equity Dividend		22,28,000	-
Preference shares		2,39,584	2,14,128
Corporate Dividend Tax		4,19,366	36,391
General Reserve		25,000	-
Preference shares redemption reserve		15,00,000	-
Balance Carried to Balance Sheet		1,79,88,794	2,11,81,183
Total		2,24,00,744	2,14,31,702
Earnings per share (Face value Rs. 10/- each)		0.42	0.28
Notes on Accounts	22		
Accounting Policies	23		

The Schedules referred to above form part of the Profit and Loss Account

As per our report of even date

for and on behalf of the Board

for **BRAHMAYYA & CO.,**

Chartered Accountants

VIRENDER KUMAR AGARWAL
Managing Director

SEEMA RANI AGARWAL
Joint Managing Director

K.S. RAO

Partner

NITIN B HALBE
Manager (Finance)

Place : Nagpur

Date : 29th June, 2009



SURYAAMBA SPINNING MILLS LIMITED

SCHEDULES FORMING PART OF THE ACCOUNTS

	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
SCHEDULE 1		
SHARE CAPITAL:		
Authorised		
45,00,000 (45,00,000) Equity Shares of Rs.10/- each	4,50,00,000	4,50,00,000
50,000 (50,000) Preference Shares of Rs.100/- each	50,00,000	50,00,000
Issued, Subscribed and Paid up		
22,28,000 (22,28,000) Equity Shares of Rs.10/- each	2,22,80,000	2,22,80,000
4,715 (13,844) 12% Cumulative Redeemable Preference Shares of Rs.100/- each (Series IV)	4,71,500	13,84,400
14,922 (14,922) 8% Cumulative Redeemable Preference Shares of Rs.100/- each (Series VII)	14,92,200	14,92,200
	<u>2,42,43,700</u>	<u>2,51,56,600</u>

SCHEDULE 2

RESERVES & SURPLUS :

	Balance as on 01.04.2008	Additions during the year	Deductions during the year	Balance as on 31.03.2009	Balance as on 31.03.2008
RESERVES :					
<i>Capital Reserves :</i>					
Securities Premium	2,52,30,000	-	-	2,52,30,000	2,52,30,000
Subsidy	30,00,000	-	-	30,00,000	30,00,000
Preference Share Redemption Reserve	28,76,600	1,50,000	-	43,76,600	28,76,600
<i>Other Reserves :</i>					
General Reserve	12,00,00,000	25,000	-	12,00,25,000	12,00,00,000
SURPLUS :					
Profit & Loss Account	2,11,81,183	1,79,88,794	2,11,81,183	1,79,88,794	2,11,81,183
	<u>17,22,87,783</u>	<u>1,95,13,794</u>	<u>2,11,81,183</u>	<u>17,06,20,394</u>	<u>17,22,87,783</u>



SCHEDULES FORMING PART OF THE ACCOUNTS

	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
SCHEDULE 3		
SECURED LOANS :		
A) RUPEE TERM LOANS :		
1) State Bank of India Term Loan -1	5,08,66,660	6,44,99,990
2) Axis Bank Ltd., Corporate Loan - 1	24,99,998	58,33,334
(A)	<u>5,33,66,658</u>	<u>7,03,33,324</u>
B) WORKING CAPITAL LOANS :		
State Bank of India	7,07,89,504	7,72,24,442
Axis Bank Ltd.	1,50,64,606	
(B)	<u>8,58,54,110</u>	<u>7,72,24,442</u>
C) VEHICLE HIRE PURCHASE LOANS :		
(C)	—	1,76,584
(A+B+C)	<u>13,92,20,768</u>	<u>14,77,34,350</u>

Notes :

- Loans referred in A are secured by pari passu first charge on immovable properties of the Company present and future and second charge on movable properties (charges/to be created) first charge being in favour of Bankers for their working capital facility. The loans further secured by personal guarantees by two Directors of the company.
- Working Capital loans from bank referred to in B above are secured by hypothecation of stock in trade, raw materials, stock in process, stores and spares and receivables present and future and by a second charge on the present and future immovable properties of the Company on pari passu basis. The loan further secured by personal guarantees by two Directors of the company.
- Hire purchase loans referred to C above are secured by hypothecation of the respective assets(vehicles) and guaranteed by the Managing Director of the Company.

SCHEDULE 4

UNSECURED LOANS :

Deposits	—	1,07,60,320
Loans from Directors	1,13,76,747	—
	<u>1,13,76,747</u>	<u>1,07,60,320</u>



SCHEDULES FORMING PART OF THE ACCOUNTS

SCHEDULE - 5
FIXED ASSETS

Description	Gross Block				Depreciation				Net Block	
	As at 1.04.08 Rs	Additions Rs	Deductions Rs	Upto 31.03.09 Rs	Up to 1.04.08 Rs	For the Year Rs	Deductions Rs	Upto 31.03.09 Rs	As at 31.03.09 Rs	As at 31.03.08 Rs
Land	14,23,246	-	-	14,23,246	-	-			14,23,246	14,23,246
Factory Buildings	4,90,46,889			4,90,46,889	1,36,67,956	16,38,164		1,53,06,120	3,37,40,769	3,53,78,933
Non Factory Buildings	3,61,63,127	80,84,460		4,42,47,587	48,99,665	6,33,515		55,33,180	3,87,14,407	3,12,63,464
Plant & Machinery	26,21,88,882		21,11,291	26,00,77,591	10,59,03,227	1,38,25,862	16,53,420	11,80,75,669	14,20,01,922	15,62,85,649
Testing Equipment	16,22,809			16,22,809	2,79,402	77,082		3,56,484	12,66,325	13,43,407
Electrical Installations	1,96,48,248			1,96,48,248	88,38,802	10,37,425		98,76,227	97,72,021	1,08,09,451
Data Processing Equipment	27,05,715	4,42,841		31,48,556	20,95,983	1,83,809		22,79,792	8,68,764	6,09,732
Workshop Equipment	2,86,209			2,86,209	1,89,725	13,595		2,03,320	82,889	96,484
Weighing Machinery	3,12,983			3,12,983	1,63,470	14,867		1,78,337	1,34,646	1,49,513
Water Works	6,71,628	21,320		6,92,948	1,13,257	11,247		1,24,504	5,68,444	5,58,371
Furniture & Fixture	37,17,634	95,400		38,13,034	15,65,454	2,27,887		17,93,341	20,19,693	21,52,180
Office Equipment	25,93,391	52,790		26,46,181	8,25,804	1,25,827		9,51,631	16,94,550	17,67,586
Vehicles	25,54,541			25,54,541	7,73,451	2,41,967		10,15,418	15,39,123	17,81,089
Total	38,29,35,302	86,96,811	21,11,291	38,95,20,822	13,93,16,196	1,80,31,247	16,53,420	15,56,94,023	23,38,26,799	24,36,19,105
Previous Year	37,62,29,396	67,05,906	-	38,29,35,302	12,59,40,608	1,33,75,589	-	13,93,16,197	24,36,19,105	



SCHEDULES FORMING PART OF THE ACCOUNTS

	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
SCHEDULE 6		
INVENTORIES :		
(Valued and certified by the management)		
(Valued at cost unless otherwise stated)		
Raw Materials	2,01,84,690	1,10,25,228
Stores & Spares	93,04,254	1,12,07,906
Yarn	61,90,625	1,74,46,834
Stocks-in-process	37,02,978	39,21,768
Waste (at realisable value)	32,819	-
	<u>3,94,15,366</u>	<u>4,36,01,736</u>

SCHEDULE 7

SUNDRY DEBTORS :

(Unsecured and considered good)

Due over six months

Others

-	-
10,36,72,029	8,15,59,024
<u>10,36,72,029</u>	<u>8,15,59,024</u>

SCHEDULE 8

CASH AND BANK BALANCES :

Cash on Hand

With Scheduled Banks

In Current Accounts

In Deposit Accounts

24,260	5,30,523
59,09,109	1,44,095
3,67,000	3,32,000
<u>63,00,369</u>	<u>10,06,618</u>



SCHEDULES FORMING PART OF THE ACCOUNTS

	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
SCHEDULE 9		
LOANS AND ADVANCES :		
(Unsecured, considered good recoverable in Cash or in kind or for value to be received)		
Advances for Suppliers & Expenses	29,20,289	94,13,053
Advances for Capital Works	1,05,72,168	1,27,51,743
Advances to Staff & Workers	2,24,266	1,79,993
Other Advances	1,99,53,252	3,62,23,346
Accrued Interest	4,41,290	3,83,420
Deposits Recoverable	66,60,427	64,32,517
Prepaid Expenses	3,33,233	4,60,054
Cenvat benefit entitlement	—	9,191
Tax Deducted at Source	85,753	83,826
	<u>4,11,90,678</u>	<u>6,59,37,143</u>
SCHEDULE 10		
CURRENT LIABILITIES & PROVISIONS :		
CURRENT LIABILITIES :		
Sundry Creditors for Raw materials & stores :		
- Due to Small Scale Industrial Undertakings	7,08,480	1,11,311
- Others	1,34,48,827	2,50,20,078
Sundry Creditors for : Capital Goods	7,500	7,500
" : Expenses	2,20,46,904	2,07,78,420
" : Other Finance	18,72,997	13,37,833
Advance received against Sales	—	—
PROVISIONS :		
For : Income tax (net)	49,15,738	18,00,000
Fringe Benefit Tax (net)	2,36,274	20,000
Equity Dividend	22,28,000	—
Preference Dividend	2,39,584	2,14,128
Corporate Dividend Tax	4,19,366	36,391
	<u>4,61,23,670</u>	<u>4,93,25,661</u>
SCHEDULE 11		
MISCELLANEOUS EXPENDITURE :		
(to the extent not written off or adjusted)		
Preliminary Expenditure	4,17,836	4,64,262
Less : Written off during the year	46,426	46,426
	<u>3,71,410</u>	<u>4,17,836</u>



SURYAAMBA SPINNING MILLS LIMITED

SCHEDULES FORMING PART OF THE ACCOUNTS

	Current Year 31.03.2009 Rs.	Previous Year 31.03.2008 Rs.
SCHEDULE 12		
SALES		
Yarn	86,28,02,917	62,35,46,294
Waste	6,39,257	4,72,250
Scrap Sales	174,730	1,98,141
	<u>86,36,16,904</u>	<u>62,42,16,685</u>
SCHEDULE 13		
OTHER INCOME		
Interest earned (TDS Rs. 85,753/-, Previous year TDS Rs.83,826/-)	3,82,154	3,79,757
Exchange Variance		2,57,230
Excess Provision written Back	7,68,195	-
Miscellaneous Income	8,925	8,000
Credit Balances written back	185,419	1,607
	<u>13,44,693</u>	<u>6,46,594</u>
SCHEDULE 14		
RAW MATERIAL CONSUMED		
Opening Stock	1,10,25,228	3,51,60,233
Add: Purchases	61,20,30,901	42,79,00,043
	<u>62,30,56,129</u>	<u>46,30,60,276</u>
Less: Closing Stock	2,01,84,690	1,10,25,228
	<u>60,28,71,439</u>	<u>45,20,35,048</u>
SCHEDULE 15		
STORES CONSUMED		
Consumable Stores	87,83,190	67,71,907
Packing Material consumed	1,22,17,983	1,08,18,411
	<u>2,10,01,173</u>	<u>1,75,90,318</u>
SCHEDULE 16		
POWER AND FUEL		
Electricity Charges	6,76,28,444	5,41,69,547
	<u>6,76,28,444</u>	<u>5,41,69,547</u>
SCHEDULE 17		
PAYMENTS & BENEFITS TO EMPLOYEES		
Salaries, Wages and Bonus	4,89,18,096	3,41,05,913
Contribution to Provident & other funds	44,25,432	34,15,262
Welfare Expenses	26,86,708	34,18,439
Gratuity	33,40,034	31,55,909
	<u>5,93,70,270</u>	<u>4,40,95,523</u>



SCHEDULES FORMING PART OF THE ACCOUNTS

	Current Year 31.03.2009 Rs.	Previous Year 31.03.2008 Rs.
SCHEDULE 18		
OTHER EXPENSES		
Rent	3,30,000	2,45,000
Rates and Taxes	5,42,693	1,48,379
Sales Tax	2,91,72,340	1,63,34,525
Printing and Stationery	2,39,740	79,690
Postage, telegrams and telephones	5,33,625	3,64,898
Travelling and Conveyance	11,88,867	9,08,038
Selling Expenses	20,75,208	7,04,660
Insurance	7,88,372	4,71,368
Auditors Remuneration	44,120	44,944
Cost Audit Fees	30,000	—
Repairs to :		
Buildings	10,41,225	5,80,090
Machinery	74,83,184	1,03,17,354
Others	6,97,647	1,10,948
Professional charges	9,77,235	2,02,392
Vehicle Maintenance	15,58,192	11,32,660
Office Maintenance	47,83,104	39,27,051
Directors Sitting Fees	42,000	—
Miscellaneous expenses	26,77,542	14,45,321
Donations	—	12,803
Loss on sale of Asset	3,59,831	—
Demerge Expenses	—	11,84,760
	<u>5,45,64,925</u>	<u>3,82,14,881</u>

SCHEDULE 19

FINANCE CHARGES

Interest on term loans	52,82,010	48,62,425
Interest on Working Capital Loans	1,03,31,205	70,14,056
Bank charges	14,85,819	2,42,351
Interest on others	11,70,046	7,74,554
	<u>1,82,69,080</u>	<u>1,28,93,386</u>



SCHEDULES FORMING PART OF THE ACCOUNTS

		Current Year 31.03.2009 Rs.	Previous Year 31.03.2008 Rs.
SCHEDULE 20			
INCREASE / DECREASE IN STOCKS			
OPENING STOCK			
Yarn		1,74,46,834	33,48,656
Stock in process		39,21,768	36,83,983
Waste		—	30,545
	(A)	<u>2,13,68,602</u>	<u>70,63,184</u>
CLOSING STOCK			
Yarn		61,90,625	1,74,46,834
Stock in process		37,02,978	39,21,768
Waste		32,819	—
	(B)	<u>99,26,422</u>	<u>2,13,68,602</u>
(Increase)\ Decrease in Stocks	(A-B)	<u>1,14,42,180</u>	<u>-1,43,05,418</u>

SCHEDULE 21

PRIOR PERIOD ADJUSTMENT :

Income :			
Sales Tax Refund		77,889	—
Insurance premium refund		50,737	—
	(A)	<u>1,28,626</u>	<u>—</u>
Expenditure :			
Providend Fund		2,16,488	—
Electricity charges and others		72,614	—
	(B)	<u>2,89,102</u>	<u>—</u>
	(A-B)	<u>-1,60,476</u>	<u>—</u>



SURYAAMBA SPINNING MILLS LIMITED

SCHEDULES FORMING PART OF THE ACCOUNTS

SCHEDULE-22

NOTES ON ACCOUNTS ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2009

	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
1 Contingent Liabilities not provided for on account of :		
Bank Guarantee	3,37,010	Nil
2 Licensed/Registered Capacity :		
a) No. of Spindles	28,080	28,080
3 Installed Capacity:		
a) No. of Spindles	28,080	28,080
(The figures have been certified by the Management and not verified by the auditors being a technical matter)		

	2008-09		2007-08	
	Kgs.	Rs.	Kgs.	Rs.
4 Production & Sales:				
a) Production:	91,00,771		68,95,342	
b) Sales:				
Yarn	92,42,508	86,28,02,917	67,21,628	62,35,46,294
Waste	1,26,593	6,39,257		4,72,250
Scrap	17,030	174,730	—	198,141
Total	93,86,131	86,36,16,904	67,21,628	62,42,16,685
5 Opening & Closing Stocks:				
a) Opening Stocks:				
Yarn	2,13,519	174,46,834	39,805	33,48,656
Stock In Process	56,584	39,21,768	56,169	36,83,983
Waste	—	—	6,856	30,545
Total	2,70,103	2,13,68,602	1,02,830	70,63,184
b) Closing Stocks:				
Yarn	71,782	61,90,626	2,13,519	1,74,46,834
Stock In Process	53,353	37,02,978	56,584	39,21,768
Waste	6,251	32,819	—	—
Total	1,31,386	99,26,423	2,70,103	2,13,68,602



SCHEDULES 22 (Contd.)

		2008-09		2007-08
	Kgs.	Rs.	Kgs.	Rs.
6 Stocks of Raw Materials:				
a) Opening Stocks				
Polyester Staple Fibre	1,64,770	1,06,55,063	4,93,282	3,11,18,868
Viscose Staple Fibre	3,103	3,70,181	41,051	40,41,365
Total	<u>1,67,873</u>	<u>1,10,25,244</u>	<u>5,34,333</u>	<u>3,51,60,233</u>
b) Closing Stocks				
Polyester Staple Fibre	2,96,634	1,75,39,468	1,64,770	1,06,55,055
Viscose Staple Fibre	23,809	26,45,222	3,103	3,70,173
Total	<u>3,20,443</u>	<u>2,01,84,690</u>	<u>1,67,873</u>	<u>1,10,25,228</u>
7 Purchase of Raw Materials :				
Polyester Staple Fibre	91,01,098	57,99,82,772	65,52,559	41,92,10,339
Viscose Staple Fibre	2,75,943	3,20,48,129	73,881	86,89,704
Total	<u>93,77,041</u>	<u>61,20,30,901</u>	<u>66,26,440</u>	<u>42,79,00,043</u>
8 Raw materials consumed :				
Polyester Staple Fibre	89,69,234	57,30,98,367	68,81,071	43,96,74,152
Viscose Staple Fibre	2,55,237	2,97,73,088	1,11,829	1,23,60,896
Total	<u>92,24,471</u>	<u>60,28,71,455</u>	<u>69,92,900</u>	<u>45,20,35,048</u>
9 a) Percentage of Raw Material Consumed :				
Indigenous	100.00%	60,28,71,455	100.00%	45,20,35,048
Imported	0.00%		0.00%	
	<u>100.00%</u>	<u>60,28,71,455</u>	<u>100.00%</u>	<u>45,20,35,048</u>
b) Spare parts & components consumed :				
Indigenous	83.25%	73,76,157	68.66%	46,49,791
Imported	16.75%	14,83,918	31.34%	21,22,116
	<u>100.00%</u>	<u>88,60,075</u>	<u>100.00%</u>	<u>,67,71,907</u>
10 Auditors' Remuneration :				
As Auditors		44,120		44,944
		<u>44,120</u>		<u>44,944</u>
11 Managerial Remuneration :				
a) Managing Director :				
Salary		11,40,000		1,42,500
Perquisites		7,66,960		-
Contribution to Provident Fund		1,36,800		11,400
		<u>20,43,760</u>		<u>1,53,900</u>



SCHEDULES 22 (Contd.)

	2008-09	2007-08
	Kgs. Rs.	Kgs. Rs.
b) Joint Managing Director :		
Salary	2,40,000	—
Perquisites	1,07,994	—
	<u>3,47,994</u>	<u>—</u>
Total (a+b)	<u>23,91,754</u>	<u>1,53,900</u>
12 Computation of profits in accordance with Section 198 of the Companies Act, 1956		
Profit for the year before taxation as per profit and loss account	91,84,183	31,97,073
Add: Managerial remuneration	<u>23,91,754</u>	<u>1,53,900</u>
Net Profit in accordance with Section 198 of	<u>1,15,75,937</u>	<u>33,50,973</u>
Maximum remuneration to whole time directors 10%	11,57,594	3,35,097
13 DEFERRED TAXATION :		
Deferred Tax Liability		
Depreciation	3,48,39,798	3,08,76,749
Deferred Tax Assets		
Benefits to Employees	<u>16,48,427</u>	<u>—</u>
	<u>3,31,91,371</u>	<u>3,08,76,749</u>
14 Earnings Per Share (EPS)		
Profit after tax and extra ordinary items	12,19,561	8,75,821
Less : Preference dividend provided	2,39,584	2,14,128
Corporate Dividend Tax	40,717	,36,391
Profit attributable to Equity Shareholders	9,39,260	6,25,302
No of Equity shares (Face value Rs. 10/- each)	22,28,000	22,28,000
Weighted average No. of Shares*	22,28,000	22,28,000
Earnings Per Share (EPS)	0.42	0.28
15 a) Value of Imports on C.I.F basis in respect of		
Raw Materials	Nil	Nil
Spares	14,83,918	19,38,082
Capital Goods	Nil	Nil
b) Expenditure in foreign currency on account of		
Foreign Travel	Nil	1,30,000



SURYAAMBA SPINNING MILLS LIMITED

- 16 The Company has opted for exempted route under Excise rules w.e.f 31st July, 07. Accordingly, the CENVAT benefit not availed from the said date.
- 17 Interest paid, payable and accrued and due to Micro and small enter prices : Nil
- 18 Details of Non convertible cumulative redeemable preference shares. Transfer from Suryalata Spinning Mills Ltd under Scheme of arrangement are as under:

Nature	Series	Amount	Date of issue	Date of Redemption
12% CRPSs of Rs.100/- each	IV	4,71,500	21-10-2003	20-10-2010
8% CRPSs of Rs.100/- each	VII	14,92,200	30-10-2004	29-10-2011
	Total	19,63,700		

- 19 Disclosure in respect of related parties pursuant to Accounting Standard 18:
List of related parties with whom the transactions have taken place and relationships:

Sr. No.	Name of the party	Relationship
1	Sri Virender Kumar Agarwal	Key Management personnel
2	Smt. Seema Rani Agarwal	Key Management personnel
3	Relatives of Key Management personnel	Others

During the period following transactions were carried out with related party in the ordinary course of business.

Sl No.	Nature of transaction	2008-09		2007-08	
		Key Personnel Management Personnel	Others	Key Management	Others
		Rs.	Rs.	Rs.	Rs.
1	Preference shares repaid	9,12,900		0	0
2	Deposited repaid	1,07,14,320	46,000	0	0
3	Loans accepted	1,13,76,747			
4	Interest paid	11,17,037	3,812	6,95,192	48,986
5	Managerial remuneration	23,91,754	0	1,53,900	0
6	Rent paid	3,30,000		0	2,45,000
7	Salary	0	4,32,000	0	48,000

- 20 Previous period figures pertain to 9 months from 01.07.2007 to 31.03.2008
- 21 Paise have been rounded off to the nearest rupee.
- 22 Additional information pursuant to provisions of Part IV of Schedule VI of the Companies Act, 1956 is furnished in Annexure "A"



SCHEDULE-23

SIGNIFICANT ACCOUNTING POLICIES

ACCOUNTING CONVENTION:

The Financial statements are prepared based on historical cost convention.

FIXED ASSETS:

Tangible Fixed Assets are stated at cost net of depreciation as provided in the statements. Depreciation is provided on Straight line method as per Section 205 read with Schedule XIV of the Companies Act, 1956, on the basis of continuous process plant.

INVENTORIES:

Inventories are valued at the lower of cost and net realisable value. The Raw Materials and Stores and Spares are computed by using FIFO method.

FOREIGN EXCHANGE TRANSACTIONS:

Foreign currency transactions are recorded at the rates prevailing on the date of the transactions. Monetary assets and liabilities in foreign currency are translated at year end rate or at the rates of exchange fixed under contractual arrangements. Exchange differences arising on settlement of transactions and translation of monetary items are recognised as income or expense.

CONTINGENT LIABILITIES:

No liability is provided in respect of contingent liabilities, but only mentioned by way of note to accounts.

RETIREMENT BENEFITS :

Company's contribution to Provident fund determined under the relevant statute and charged to revenue. The gratuity contribution has been made on the basis of actuarial valuation under AS15 given by SBI life insurance Company.

ACCOUNTING FOR INCOME TAX :

Current tax represents the amount that otherwise would have been payable under the Income-tax Act, 1961, had the financial year been reckoned as the basis for computation of tax payable under the prevailing tax laws.

Deferred tax is recognised, subject to the consideration of prudence, on timing differences, being the differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Deferred tax assets are not recognised unless there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets will be realised.

MISCELLANEOUS EXPENDITURE :

Preliminary expenses are amortised over a period of ten years in equal instalments.

SALES:

Sales represent the amount realised or realisable for goods sold including freight and sales tax thereon.

As per our report of even date
for BRAHMAYYA & CO.,
Chartered Accountants

for and on behalf of the Board

K.S. RAO
Partner

VIRENDER KUMAR AGARWAL
Managing Director

SEEMA RANI AGARWAL
Joint Managing Director

Place : Nagpur
Date : 29th June, 2009

NITIN B HALBE
Manager (Finance)



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2009

		Period Ended 31.03.2009		Period Ended 31.03.2008
	Rs	Rs	Rs	Rs
A. Cash Flow from Operating Activities :				
Net profit before tax		91,84,183		31,97,073
Add : Depreciation	1,80,31,247		1,33,75,590	
Finance Charges	1,67,83,261		1,26,51,035	
Loss on Sale of Assets	3,59,831		-	
Misc Exp. Written off	46,426	3,52,20,765	46,426	2,60,73,051
		4,44,04,948		2,92,70,124
Less : Interest received	3,82,154		3,79,757	
Credit balance written back	1,85,419		1,607	
Excess Provision Written Back	7,68,195		-	
Income Tax, FBT & Dividend Tax paid (Net)	13,98,837	27,34,605	83,826	4,65,190
Operating Profit before working capital changes		4,16,70,343		2,88,04,934
Add : Decrease/(Increase) in Inventories	41,86,370		95,52,951	
Decrease/(Increase) in Receivables	(2,21,13,005)		65,44,418	
Decrease/(Increase) in Loans and Advances	2,47,44,538		(2,13,74,937)	
(Decrease)/Increase in Current Liabilities	(91,70,434)	(23,52,531)	1,23,51,219	70,73,651
Net Cash Inflow from Operating Activity		3,93,17,812		3,58,78,585
B. Cash Flow from Investing Activities :				
Outflow :				
Acquisition of Fixed Assets including Capital Work	86,96,811	(86,96,811)		(24,47,649)
In Progress				
Inflow :				
Sale of Assets	98,040			
Interest Received	3,82,154	4,80,194		3,79,757
Net Cash Outflow from Investing Activity		(82,16,617)		(20,67,892)



SURYAAMBA SPINNING MILLS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2009

	Period Ended 31.03.2009		Period Ended 31.03.2008	
	Rs	Rs	Rs	Rs
C . Cash Flow from Financing Activity :				
Inflow :				
Equity Share capital	-		5,00,000	
Increase/(Decrease) in Bank				
Borrowings	86,29,668		(49,78,881)	
Increase/(Decrease) in				
Unsecured Loans	<u>6,16,427</u>	<u>92,46,095</u>	<u>-</u>	<u>(44,78,881)</u>
Outflow :				
Redemption of Preference				
Share Capital	9,12,900		-	
Repayment of Term Loans	1,69,66,666		1,54,07,582	
Repayment of Hire Purchase Loans	1,76,584		2,54,569	
Dividend (Preference) paid	214,128		3,00,000	
Preliminary Expenses	-		4,64,262	
Interest Paid	<u>1,67,83,261</u>	<u>(3,50,53,539)</u>	<u>1,26,51,035</u>	<u>2,90,77,448</u>
Net Cash Outflow from				
Financing Activity		<u>(2,58,07,444)</u>		<u>(3,35,56,329)</u>
Net Increase/(decrease)				
in Cash/Cash Equivalents during				
the Financial Year (A+B+C)		<u>52,93,751</u>		<u>2,54,363</u>
Add : Cash/Cash Equivalent at the				
beginning of the year		<u>10,06,618</u>		<u>7,52,254</u>
Cash/Cash Equivalent at the close of the year		<u>63,00,369</u>		<u>10,06,617</u>

As per our report of even date
for BRAHMAYYA & CO.,
Chartered Accountants

for and on behalf of the Board

K.S. RAO
Partner

VIRENDER KUMAR AGARWAL
Managing Director

SEEMA RANI AGARWAL
Joint Managing Director

Place : Nagpur
Date : 29th June, 2009

NITIN B HALBE
Manager (Finance)



ANNEXURE- "A" forming part of Schedule 22

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE
AS AT 31ST MARCH, 2009**

I. Registration details

Registration No.

U 1 8 1 0 0 A P 2 0 0 7 P L C 0 5 3 8 3 1

Balance sheet date

3 1 0 3 2 0 0 9

State code

0 1

II. Capital raised during the year (Amount in Rs. thousands)

Public issue

N I L

Rights issue

N I L

Bonus issue

N I L

Private placement (CRPS)

N I L

III. Position of mobilisation and deployment of funds (Amount in Rs. thousands)

Total liabilities

3 7 8 6 5 3

Total assets

3 7 8 6 5 3

SOURCES OF FUNDS

Paid-up capital

Equity Share Capital

2 2 2 8 0

Preference Share Capital

1 9 6 4

Deferred Tax Liability

3 3 1 9 1

Reserves and surplus

1 7 0 6 2 0

Secured loans

1 3 9 2 2 1

Unsecured loans

1 1 3 7 7

APPLICATION OF FUNDS

Net Fixed Assets

2 3 3 8 2 7

Investments

N I L

Net current assets

1 4 4 4 5 5

Accumulated Losses

N I L

Misc. expenditure

3 7 1

IV. Performance of Company (Amount in Rs. thousands)

Turnover & other income

8 6 4 9 6 2

Profit Before Tax

9 1 8 4

Earning per share in Rs.

0 . 4 2

Total expenditure

8 5 5 7 7 8

Profit after tax

1 2 2 0

Equity Dividend rate %

1 0

V. Generic names of three principal products/services of Company (As per monetary terms)

Item Code No. (ITC Code)

5 5 0 9 0 2

Product Description

P O L Y E S T E R Y A R N

5 5 0 9 0 1

V I S C O S E Y A R N

5 5 0 9 0 7

P V Y A R N

NOTES

[illegible]

ELECTRONIC CLEARING SERVICES (ECS) MANDATE FORM FOR PAYMENT OF DIVIDEND

M/s. Sathguru Management Consultants Private Limited,
(unit: SURYAABMA SPINNING MILLS LIMITED)
Plot No.15, Hindi Nagar, Punjagutta, Hyderabad- 500 034.

Shareholder's authorisation to receive dividends through Electronic Credit Clearing Mechanism.

Registered Folio No.:	ECS Ref. No.: (for office use only)
Name of the first/sole shareholder	
Name of the Bank	
Branch Address & Telephone No. of Branch	
9 Digit Code number of the Bank and Branch appearing on the MICR cheques issued by the bank. (Please attach a blank cancelled cheque, or a photocopy of a cheque issued to you by your Bank, for verification of the above particulars.)	
Account Type (Please tick the option)	Savings [] Current []
Account Number (as appearing on the Cheque Book)	
Bank Account Ledger Folio No. (If any)	
Effective date of this mandate	

I, hereby, declare that the particulars given above are correct and complete. If the payment transaction is delayed or not effected at all for any reasons, including but not limited to incomplete or incorrect information, I will not hold M/s. Suryaamba Spinning Mills Limited responsible. I agree to discharge the responsibility expected of me as a participant under the scheme.

I, further undertake to inform the Company of any subsequent change(s) in the above particulars.

Place : _____

Date : _____

(Signature of Shareholder)

NOTES:

In case of shareholders holding shares in demat form, the ECS form be sent to their respective Depository Participant(s) with whom the account is maintained.

BANKER'S CERTIFICATION

Certified that the particulars furnished above are correct as per our records.

Banker's Seal :

Date :

Signature of the Authorised
Official of the Bank

ELECTRONIC CLEARING SERVICE (ECS) FOR PAYMENT OF DIVIDEND

To
The Shareholders,
M/s. Suryaamba Spinning Mills Limited

The Company has introduced Electronic Clearing Service (ECS) for payment of dividend. This would facilitate shareholders to receive the dividend electronically and the payment would consequently be faster and loss of dividend instrument in postal transit would be eliminated.

Under this method, the Company would issue payment instructions to the Clearing House of Reserve Bank of India through the bankers of the Company. The Clearing House would furnish to the service branches of the destination banks branch wise credit reports indicating the beneficiary details such as names of the branches where the accounts are maintained, the names of the beneficiaries, account type, account numbers and the respective amounts. The service branch would in turn pass on the advices to the concerned branches of their bank, which would credit the beneficiary's accounts on the appointed date. An advise of remittance would be sent by the Company to the shareholders opting for electronic transfer.

Considering the benefits envisaged in ECS for payment of dividend, shareholders are advised to avail this facility. Securities and Exchange

Board of India and the Ministry of Company Affairs, Government of India, have made it mandatory on the part of the Companies to offer ECS facility, wherever the said facility is available.

If shareholder holding shares in physical form wish to participate in this scheme, please fill in the ECS Mandate Form printed overleaf in legible and readable form in English preferably in capital letters, sign and return the same to the Registrar and Transfer Agents of the Company immediately. Please note that the information provided by you should be accurate and complete in all respects and duly certified by your bankers. In lieu of Bank certification, you may attach a blank cancelled cheque or a photocopy of a cheque for verification of the particulars provided by you in the ECS Mandate Form.

In case you require any clarification/assistance, please feel free to contact the Company.

Virender Kumar Agarwal
Managing Director

PROXY FORM



SURYAAMBA SPINNING MILLS LIMITED

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

Regd. Folio No :

No. of Shares held :

*DPID No :

*Client ID No :

I/We _____ of _____ being a Member/Members of Suryaamba Spinning Mills Limited hereby appoint _____ of _____ or failing him _____ of _____ as my/our proxy to attend and vote for me/us and on my behalf at the 2nd Annual General Meeting to be held on Monday, the 14th September, 2009 at 3:00 P.M. at Kamat Lingapur Hotel, 1-10-44/2, Chikoti Gardens, Begumpet, Hyderabad - 500016 or at any adjournment thereof.

Signed this _____ day of _____ 2009.

Affix a
Re.1.00
Revenue
Stamp
and Sign
across

* Applicable for investors holding shares in electronic form.

Note: (1) The Proxy need not be a member of the company.

(2) The Proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting.

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

ATTENDANCE SLIP



SURYAAMBA SPINNING MILLS LIMITED

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

PLEASE FILL THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

Regd. Folio No :

No. of Shares held :

*DPID No :

*Client ID No :

NAME AND ADDRESS OF THE SHAREHOLDER / PROXY

I/We hereby record my / our presence at the 2nd Annual General Meeting to be held on Monday, the 14th September, 2009 at 3.00 P.M. at Kamat Lingapur Hotel, 1-10-44/2, Chikoti Gardens, Begumpet, Hyderabad - 500016.

Signature of the Shareholder or Proxy : _____

* Applicable for investors holding shares in electronic form.

Members are requested to bring their copy of the Annual Report to the meeting.

PRINTED MATTER
Book Post



If undelivered, please return to:

SURYAAMBA SPINNING MILLS LIMITED

Regd. Office : 1st Floor, Surya Towers,
105, Sardar Patel Road,
Secunderabad - 500 003.
Phone : 040-27819908, 27819909