



SVSM/RO/SEC/2016-17

8th October 2016

To
The Department of Corporate Services,
BSE Limited,
P J Towers, Dalal Street,
Mumbai-400 001

Dear Sir,

Sub: Submission of Annual Report for year 2015-16
Scip Code: 514140

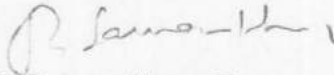
With reference to the cited subject, pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 we are herewith submitting the Annual Report of the Company for the year 2015-16.

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

Thanking you

Yours Faithfully,

For Suryavanshi Spinning Mills Limited


B. Somasekhara Rao
CFO & Company Secretary



Encl: as above

Annual Report 2015-2016



Suryavanshi
spinning mills ltd.

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Important Communication to Members

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

CORPORATE INFORMATION

BOARD OF DIRECTORS

Sri Badrinarayan Agarwal
Sri R.Surender Reddy
Sri Rajender Kumar Agarwal
Sri Surender Kumar Agarwal
Sri Manish Gupta
Smt Sushma Gupta

Executive Chairman
Independent Director
Managing Director
Independent Director
Independent Director
Independent Director

Chief Financial Officer & Company Secretary

Sri B. Somasekhara Rao

Auditors

M/s. Brahmaya & Co.
Flat No.403 & 404,
Golden Green Apartments,
Irrum Manzil Colony,
Hyderabad-500082

Bankers

Andhra Bank
State Bank of Hyderabad
ICICI Bank Limited

Registered Office

6th Floor, Surya Towers, 105, S.P. Road
Secunderabad – 500 003, Telangana
Website: www.suryavanshi.com
Email: info@suryavanshi.com
CIN: L14220TG1978PLC002390
Phone: 91-40-30512700
Fax: 91-40-30512725

Registrar and Share Transfer Agents

Karvy ComputerShare Private Limited
Karvy Selenium Tower B, Plot No 31 & 32, Gachibowli,
Financial District, Nanakramguda, Serilingampally,
Hyderabad – 500 032
Tel No. 040-67161606, Fax No. 040-23420814
e-mail: einward@karvy.com
Website: www.karvycomputershare.com

FACTORY

Spinning & Medical Textile Divisions
Aliabad, Medchal Taluq, Ranga Reddy Dist.
Telangana – 500 078

Audit Committee

Sri Surender Kumar Agarwal
Sri R. Surender Reddy
Sri Manish Gupta
Sri Rajender Kumar Agarwal

Stakeholders' Relationship Committee

Sri Surender Kumar Agarwal
Sri Rajender Kumar Agarwal

Nomination & Remuneration Committee

Sri R. Surender Reddy
Sri Surender Kumar Agarwal
Sri Manish Gupta

ISIN: INE431C01023
Listed on BSE Limited
Scrip Code: 514140

NOTICE

NOTICE is hereby given that the 37th Annual General Meeting of the Members of Suryavanshi Spinning Mills Limited will be held on **Friday, 30th day of September, 2016 at 10.00 A.M. at Gayatri Gardens, Survey No. 26, Sikh Village, Near Diamond Point Hotel, Secunderabad - 500003** to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements for the financial year ended 31st March, 2016 and the Reports of the Directors and Auditors thereon.
2. To appoint a director in place of Sri Rajender Kumar Agarwal, who retires by rotation and, being eligible offers himself for re-appointment.
3. To appoint auditors and to fix their remuneration.

SPECIAL BUSINESS

4. **TO CONSIDER AND IF THOUGH FIT, TO PASS, WITH OR WITHOUT MODIFICATION(S), THE FOLLOWING RESOLUTION AS AN ORDINARY RESOLUTION.**

“RESOLVED THAT the Company do hereby approve in terms of Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit & Auditors) Rules, 2014, as amended, the remuneration of ₹ 20,000/- (Rupees Twenty thousand only) plus out of pocket expenses payable to Aruna Prasad & Co., Cost Accountant for the cost audit to be conducted by them of the cost records of the Company for the financial year 2016-17.”

By order of the Board
For **Suryavanshi Spinning Mills Limited**

Place : Secunderabad
Date : 30.05.2016

B.N.Agarwal
Executive Chairman

NOTES:

1. The register of members and share transfer books of the Company will be closed from 24th September, 2016 to 30th September, 2016 (both days inclusive) for the purpose of Annual General Meeting.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. The holder of the proxy shall prove his/her identity at the time of attending the meeting.
3. A member holding more than 10% of the total share capital may appoint a single person as Proxy and such person shall not act as Proxy for any other person or member. The Instrument appointing the proxy should be deposited at the registered office of the company not less than forty-eight hours before the commencement of the meeting.
4. The shareholder desiring any further information as regards the accounts are requested to write to the Company so as to reach it at least one week prior to the date of the meeting for consideration of the management to deal at the meeting.
5. Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective

- specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.
6. Members may note that the Notice of the 37th AGM and the Annual Report for FY 2015-16, copies of audited financial statements, directors' report etc., will also be available on the website of the company, www.suryavanshi.com for download. Members holding shares in electronic mode are therefore requested to keep their email address updated with the Depository Participants. Members holding shares in physical mode are also requested to update their email addresses by writing to the Registrar and Transfer Agent of the Company at the address M/s Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot No 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032, Telangana.
7. **E-Voting:**
- (i) Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide to its Members, the facility to cast their vote electronically, through the e-voting services provided by Karvy Computershare Private Limited (KCPL) on all resolutions set forth in this Notice. The members may cast their votes using an electronic voting system from a place other than the venue of the Meeting ('remote e-voting').
- (ii) In order to enable its Members, who do not have access to e-voting facility, to send their assent or dissent in writing in respect of the resolutions as set out in the Notice of AGM, the Company has also enclosed a ballot form with the Annual Report for 2015-16.
- (iii) The facility for voting through polling paper shall be made available at the Meeting and the members attending the Meeting who have not cast their vote by remote e-voting/ballot form shall be able to vote at the Meeting through polling paper.
- (iv) A Member can opt for only single mode of voting i.e. either through e-voting or by ballot form. If a Member casts votes by both modes then voting done through e-voting shall prevail and vote by Ballot shall be treated as invalid. The members who have cast their vote by remote e-voting/ballot form may also attend the Meeting but shall not be entitled to cast their vote again.
- (v) The Board of Directors of the Company has appointed Smt Rashida Adenwala, a Practising Company Secretary, Partner, R & A Associates, Hyderabad as Scrutinizer to voting process (e-voting, ballot and poll) in a fair and transparent manner and she has communicated her willingness to be appointed and will be available for same purpose.
- (vi) **Voting rights shall be reckoned on the paid-up value of shares registered in the name of the member / beneficial owner (in case of electronic shareholding) as on the cut-off date i.e. 23rd September 2016.**
- (vii) **A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, i.e. 23rd September 2016 only shall be entitled to avail the facility of remote e-voting, ballot form as well as voting at AGM through polling paper.**
- (viii) Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e. 23rd September 2016, may obtain the User ID and password by writing to Karvy at evoting@karvy.com or contact 040-67161606 or Toll Free No.1800 3454 001. However, if the person is already registered with Karvy for remote e-voting then the existing user ID and password can be used for casting vote.
- (ix) The remote e-voting facility will be available during the following period:
Commencement of remote e-voting: From 9.00 a.m. (IST) on 27th September 2016.
End of remote e-voting: Up to 5.00 p.m. (IST) on 29th September 2016
The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting Module shall be disabled by Karvy upon expiry of aforesaid period.
- (x) The Scrutinizer, after scrutinising the votes cast at the meeting and through remote e-voting, will, not later than three days of conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company www.suryavanshi.com and on the website of Karvy <https://evoting.karvy.com>. The results shall simultaneously be communicated to BSE Limited.
- (xi) Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e. 30th September 2016.

(xii) **Instructions and other information relating to remote e-voting:**

A. In case of Members receiving Notice through mail:

- a. Open e-mail and open PDF File viz. "Suryavanshi Spinning Mills.pdf" with your client ID or folio No. as password. The said PDF File contains your user ID and password for e-voting. Please note that the password is an initial password.
- b. Use the following URL for e-voting: From Karvy website: <http://evoting.karvy.com>
- c. Shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date, may cast their vote electronically.
- d. Enter the login credentials. In case of physical folio, User ID will be EVEN number followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
- e. After entering the details appropriately, click on LOGIN.
- f. You will reach the Password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.). The system will prompt you to change your password and update any contact details like mobile, email etc., on first login. You may also enter the secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- g. You need to login again with the new credentials.
- h. On successful login, the system will prompt you to select the EVENT i.e., **Suryavanshi Spinning Mills Limited**.
- i. On the voting page, enter the number of shares as on the cut-off date under FOR/AGAINST or alternately you may enter partially any number in FOR and partially in AGAINST but the total number in FOR/ AGAINST taken together should not exceed the total shareholding. You may also choose the option ABSTAIN. If the shareholder does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.

- j. Shareholders holding multiple folios / demat account shall choose the voting process separately for each folios / demat account.
 - k. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.
 - l. Cast your vote by selecting an appropriate option and click on SUBMIT. A confirmation box will be displayed. Click OK to confirm else CANCEL to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, shareholders can login any number of times till they have voted on the Resolution.
 - m. Once the vote on the Resolution is cast by the shareholder, he shall not be allowed to change it subsequently.
 - n. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to rashida@rna-cs.com with a copy marked to evoting@karvy.com.
 - o. In case of any queries relating to e-voting, members may please refer the Frequently Asked Questions (FAQs) for shareholders and e-voting User Manual for shareholders available at the download section of <http://evoting.karvy.com> or contact Mr. P. Srirama Murthy, Asst. Manager - Corporate Registry, Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot No. 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500032, Contact no. 040-67161606, Toll free No. 1800 345 4001, email id: srirama.murthy@karvy.com, evoting@karvy.com.
- B. In case of members receiving notice through post/courier:**
- (i) E-Voting Event Number (EVEN), User ID and Password is provided in the ballot form
 - (ii) Please follow all steps mentioned above in Sr. No. (xii)(A)(b) to (xii)(A)(n) to cast your vote by electronic means.

(xiii) **Instructions and other information relating to Ballot Form:**

- (i) A Member desiring to exercise voting by using Ballot Form shall complete the enclosed Ballot Form with assent (FOR) or dissent (AGAINST) and send it to the Scrutinizer, Smt Rashida

Adenwala, a Practising Company Secretary, Partner, R & A Associates, Hyderabad, duly appointed by the Board of Directors of the Company, Ballot Forms deposited in person or sent by post or courier by the member will be accepted at the Registered Office of the Company.

- (ii) Please convey your assent in Column "FOR" or dissent in the column "AGAINST" by placing a tick (✓) mark in the appropriate column in the Ballot Form only. The assent / dissent received in any other form / manner will not be considered.
- (iii) Duly completed and signed Ballot Forms shall reach the Scrutinizer on or before **Thursday, September 29th 2016 (5.00 p.m. IST)**. The Ballot Forms received after the said date / time shall be strictly treated as if the reply from the Member has not been received.
- (iv) Unsigned / incomplete Ballot Forms will be rejected. Scrutinizer's decision on validity of the Ballot Form shall be final.
- (v) A Member may request duplicate Ballot Form, if so required, by writing to the Company at its Registered Office or by sending an email on

info@suryavanshi.com by mentioning their Folio No. / DP ID and Client ID. However, the duly filled in duplicate Ballot Form should reach the scrutinizer not later than **Thursday, September 29th, 2016 (5.00 p.m. IST)**.

8. The Companies Act, 2013 provides for the facility of nomination to the holders of Shares in a Company. Accordingly, members can avail the facility of nomination in respect of their shares held either singly or jointly. Members desiring to avail this facility are requested to fill up the prescribed nomination form and send the same to the Registered Office of the Company. (The forms are available at the Regd. Office /Office of Registrars of the Company).
9. Members are requested to notify immediately any change in their addresses to the Company.
10. The members are requested to bring their copy for the annual report with them at the time of attending Annual General Meeting.

By order of the Board
For **Suryavanshi Spinning Mills Limited**

Place : Secunderabad
Date : 30.05.2016

B.N.Agarwal
Executive Chairman

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

Item No. 4

Section 148 of the Companies Act, 2013 read with Rule 14 of Companies (Audit & Auditors) Rules, 2014, as amended, provides for the appointment and the remuneration of the Cost Auditor for the audit of the cost records of the company by the Board and the remuneration of the Cost Auditor to be ratified by the members of the company. The appointment of Aruna Prasad & Co., Cost Accountant has been approved by Board of Directors as Cost Auditor for carrying out cost audit on the cost records maintained by the company for the year 2016 - 17 on a remuneration of ₹ 20,000/- plus out of pocket expenses. The ratification by the members to this remuneration is being sought in this resolution. The Board

recommends the resolution for the approval of the members.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise in the resolution.

By order of the Board
For **Suryavanshi Spinning Mills Limited**

Place: Secunderabad
Date: 30.05.2016

B.N.Agarwal
Executive Chairman

ANNEXURE TO ITEM 2 OF THE NOTICE

Details of Directors seeking appointment and re-appointment at the forthcoming Annual General Meeting
(in pursuance of Regulation 36 (3) of SEBI (Listing Obligations Disclosure Requirements) Regulations, 2015)

Name of the Director	Sri Rajender Kumar Agarwal
DIN	00041892
Date of Birth	28.07.1962
Nationality	Indian
Date of Appointment on the Board	12.10.1990
Qualifications	B.E (Mechanical)
Expertise in specific functional area	Experience of more than 25 years in Textiles business.
Number of shares held in the Company as on 31.03.2016	1219359
List of the directorships held in other companies	<ol style="list-style-type: none"> 1. Surya Sarv Shakti Spinning Mills Private Ltd 2. Telangana Spinning & Textile Mills Association 3. Sheshadri Power and Infrastructure Private Limited 4. Suryavanshi Industries Limited 5. Suryalaxmi Enterprises Private Limited
Chairman/ Member in the Committees of the Boards of companies in which he is Director*	Nil
*Committee memberships/chairmanships includes only Audit Committee and Stake holders' Relationship Committee of other Public Limited Companies (whether Listed or not).	
Except Sri Badrinarayan Agarwal being father to Sri Rajender Kumar Agarwal, there is no inter-se relationship between other Board Members.	

Sri Rajender Kumar Agarwal is interested in the resolution with regard to his re-appointment and the relatives of Sri Rajender Kumar Agarwal may be deemed to be interested in the said resolution to the extent of their shareholding in the company.

Except the above none of the other Directors/Key Managerial Personnel of the Company/their relatives is in anyway concerned or interested, financially or otherwise in the Item No. 2 of the Notice.

DIRECTORS' REPORT

Dear Shareholders,

We have pleasure in presenting the 37th Annual Report on the business and operations of Company and Financial Results for the year ended 31st March, 2016.

1. FINANCIAL RESULTS ₹ In lakhs

	2015-2016	2014-2015
Turnover Revenue	10296.57	10787.92
Gross Profit before financial charges & depreciation	387.15	642.54
Less: Depreciation	173.12	173.33
Financial charges	533.52	440.17
Exceptional items	14.61	-
Profit / (Loss) before taxation	(334.10)	29.04
Tax expenses	85.83	-
Profit / (Loss) after taxation	(419.93)	29.04

2. OPERATIONS

During the year under review the company achieved total turnover of ₹ 10296.56 lakhs is marginally lower than that of the previous year. The operations in the year have ended in a loss of ₹ 419.93 lakhs as against a small profit in the previous year. The Company's operations have been affected by the recessionary conditions prevailing in China and European Countries.

The Company could not achieve the growth in exports it had visualized for the year. Further, the yarn prices have been subdued (both in domestic and export markets). The Company is optimistic and re-working its strategies to overcome such issues in the current year.

3. CHANGE IN SHARE CAPITAL

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

4. DIVIDEND

In view of losses incurred by the Company during the year under review, the Board is unable to recommend dividend.

5. EXPORTS

During the year under review the company's exports were ₹ 27.09 Crores as against ₹ 22.49 crores of the previous financial year.

6. EXPANSION & MODERNISATION

Modernization and technological up-gradation programs continue in the Company to maintain competitiveness and achieve better quality. Company plans to modernize by adding balancing equipment with a capital cost of about ₹ 400 lakhs. Stringent cost control measures remain in place in all possible areas and are regularly reviewed.

7. FUTURE OUTLOOK

The company has further plans to modernize/expand its operations at its spinning unit. In the bleached cotton business, the company continues to produce products such as surgical cotton rolls and cotton buds. This will help in good value addition to its product range and improve the prospects of the company in the coming years.

8. CORPORATE GOVERNANCE

A separate report on Corporate Governance is enclosed as a part of this Annual Report. A certificate from the Auditors of the Company regarding compliance with conditions of Corporate Governance norms stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed to the Report on Corporate Governance as **Annexure - V**.

9. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

10. ENVIRONMENT AND POLLUTION CONTROL

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

11. DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. RETIREMENT BY ROTATION

Pursuant to provisions of the Companies Act, 2013, Sri Rajender Kumar Agarwal (DIN 00041892),

Director will retire at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The Board recommends his re-appointment.

B. EVALUATION OF THE BOARD'S PERFORMANCE

Board carried out through a structured evaluation process covering various aspects of the Board's functioning such as composition of the Board & committees, experience & competencies, performance of specific duties & obligations etc. Separate exercise was carried out to evaluate the performance of individual Directors including the Board, Chairman who were evaluated on parameters such as attendance, contribution at the meetings and otherwise, independent judgment etc. The evaluation of the Independent Directors and that of the Chairman was carried out by the entire Board excluding the Director being evaluated and the evaluation of Non-Independent Directors was carried out by the Independent Directors. A separate meeting of Independent Directors was also held during the year wherein the performance of Chairman, Board and Executive Directors was evaluated.

The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company.

C. REMUNERATION POLICY

The company follows a policy on remuneration of Directors and Senior Management Employees. The policy is approved by the Nomination & Remuneration Committee and the Board. More details on the same are given in the Corporate Governance Report.

D. DECLARATION BY INDEPENDENT DIRECTORS

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

E. FAMILIARIZATION PROGRAMME OF INDEPENDENT DIRECTORS

The Company has formulated a familiarization program for Independent Directors to provide insights into the Company's manufacturing, marketing, finance and other important aspects to enable the Independent Directors to understand its business in depth and contribute significantly to the Company. The Company Secretary briefs the Director about their legal and regulatory

responsibilities as a Director. The details of such program are available on the Company's website (www.suryavanshi.com)

12. AUDITORS & AUDITORS' REPORT

A. STATUTORY AUDITORS

The Statutory Auditors of the Company, M/s. Brahmayya & Co, Chartered Accountants, Hyderabad will retire at the conclusion of ensuing Annual General Meeting and are eligible for re-appointment. They have confirmed their eligibility under Section 141 of the Companies Act, 2013 and the Rules framed there under for re-appointment as Auditors of the Company. As required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India. The Statutory Auditors' Report does not contain any reservation, qualification or adverse remark.

However, In respect of the observation made by the statutory auditors with regards to Non-provision of interest for delay in payments to MSME suppliers, we have to state that explanation was given in Note 33 of the Notes to accounts which is self explanatory.

B. SECRETARIAL AUDITOR

During the year, the Company has appointed M/s R & A Associates, Practising Company Secretaries as Secretarial Auditor. The Secretarial Audit report for the financial year 2015-16 is annexed herewith as **Annexure I** to this Report. The Secretarial Audit Report does not contain any reservation, qualification or adverse remark.

C. COST AUDITOR

Pursuant to Section 148 of Companies Act, 2013, the Board of Directors on the recommendation of Audit Committee appointed Aruna Prasad & Co., Cost Accountants as the Cost Auditors of the Company for the year 2016-17 and has recommended the remuneration to the shareholders for their ratification at the ensuing Annual General Meeting. The Auditor has confirmed that the appointment is within the prescribed limits and also certified that they are free from any disqualifications.

13. DIRECTORS' RESPONSIBILITY STATEMENT:

To the best of their knowledge and belief and according to the information and explanations obtained by them,

your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis;
- (e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

14. RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

The Policy on materiality of related party transactions as approved by the Board may be accessed on the Company's website.

Your Directors draw attention of the members to Note 30 to the financial statement which sets out related party disclosures.

15. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and

outgo, is annexed and marked **Annexure II** and forms part of this Report.

16. INTERNAL FINANCIAL CONTROLS

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

17. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES:

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

No employee was in receipt of remuneration in excess of the limits prescribed under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended and hence the disclosure as required under Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not required.

18. POLICY ON SEXUAL HARASSMENT:

The Company has adopted policy on Prevention of Sexual Harassment of Employees at workplace in accordance with The Sexual harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the year under review, the Company has not received any complaints pertaining to sexual harassment.

19. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:

The Company has not made any loan, given guarantee or provided security pursuant to the provisions of Section 186 of Companies Act, 2013. The details of investments made by the Company pursuant to the provisions of Section 186 of Companies Act, 2013 is provided in Note 10 to the financial statement.

20. DISCLOSURES:

A. EXTRACT OF ANNUAL RETURN

Extract of Annual Return of the Company is annexed herewith as **Annexure III** to this Report.

B. COMPOSITION OF AUDIT COMMITTEE

The Audit Committee comprises Sri Surender Kumar Agarwal (Chairman), Sri R. Surender Reddy, Sri Manish Gupta and Sri Rajender Kumar Agarwal as other members.

All the recommendations made by the Audit Committee were accepted by the Board.

C. VIGIL MECHANISM

The Company has implemented a vigil mechanism policy to deal with instance of fraud and mismanagement, if any. It provides for the directors and employees to report genuine concerns and provides adequate safeguards against victimization of persons who use such mechanism. The Policy on vigil mechanism may be accessed on the Company's website at the link: <http://www.suryavanshi.com/whistle-blower-policy.html>. There were no complaints received during the year 2015-16.

D. NUMBER OF BOARD MEETINGS

The Board of Directors of the Company met Four (4) times during the year. For further details, please refer report on Corporate Governance.

E. LISTING FEES

The Company confirms that it has paid listing fees for the year to BSE Limited where its shares are listed.

21. GENERAL

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

- a. Details relating to deposits covered under Chapter V of the Act.
- b. The Company has no subsidiaries, joint ventures or associate companies.
- c. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

22. APPRECIATION:

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

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

By order of the Board
For **Suryavanshi Spinning Mills Limited**

Place: Secunderabad
Date: 30.05.2016

B.N.Agarwal
Executive Chairman

ANNEXURE - I

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016.

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

To,
The Members,
SURYAVANSHI SPINNING MILLS LIMITED,
105, Sardar Patel Road,
Secunderabad - 500003.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Suryavanshi Spinning Mills Limited (hereinafter called the “**Company**”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

- i. The Companies Act, 2013 (the Act) and the rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - d) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009-**(Not applicable to the Company during the Audit Period)**;
 - f) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28th October 2014- **(Not applicable to the Company during the Audit Period)**;
 - g) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 – **(Not applicable to the Company during the Audit Period)**;
 - h) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client – **(Not applicable to the Company during the Audit Period)**;

- i) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and – **(Not applicable to the Company during the Audit Period);**
 - j) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 – **(Not applicable to the Company during the Audit Period).**
- vi. The following other laws as specifically applicable to the Company in view of the management are:
- a) Textiles (Development and Regulation) Order, 2001; and
 - b) Hank Yarn Packing Notification issued under Essential Commodities Act, 1955.

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

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

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

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

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

For and behalf of R & A Associates
Company Secretaries

Mrs. Rashida Adenwala

Partner

FCS No.: 4020

C P No.: 2224

Date : 30.05.2016

Place : Hyderabad

***This report is to be read with our letter of even date, which is annexed as
"Annexure – A" and forms an integral part of this report***

“Annexure – A”

To
The Members
Suryavanshi Spinning Mills Limited
105, Sardar Patel Road
Secunderabad - 500003
Telangana, India

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

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

For and behalf of R & A Associates
Company Secretaries

Mrs. Rashida Adenwala
Partner
FCS No.: 4020
C P No.: 2224

Date: 30.05.2016
Place: Hyderabad

ANNEXURE - II

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

A. CONSERVATION OF ENERGY

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

B. TECHNOLOGY ABSORPTION

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

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

(₹ in Lakhs)

i) Foreign Exchange Earned:	2015-16	2014-15
FOB value of exports	2650.22	2162.80
CIF value of exports	2708.82	2248.51
ii) Foreign Exchange used:		
Commission on Exports	3.96	2.11
Foreign Travel Expenses	9.08	23.83
Plant & Machinery	-	3.87
Stores & Spares	7.01	-

ANNEXURE – III

FORM NO. MGT - 9

EXTRACT OF ANNUAL RETURN

as on the financial year ended 31.03.2016

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

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	LI4220TGI978PLC002390
ii)	Registration Date	27/12/1978
iii)	Name of the Company	Suryavanshi Spinning Mills Limited
iv)	Category / Sub-Category of the Company	Company Limited by shares /Indian Non-Government Company
v)	Address of the Registered Office and contact details	6 th Floor, Surya Towers, 105, Sardar Patel Road, Secunderabad – 500003 Tel No. 040-30512700, Fax: 040-30512725
vi)	Whether listed company Yes / No	Yes
vii)	Name, address and contact details of Registrar and Transfer Agent, if any	Kary Computershare Private Limited Kary Selenium Tower B, Plot No 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032, Telangana Tel no. 040-67161606, Fax No. 040-23420814

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	Polyester yarn	1311-Preparation and spinning of textile fibres	73.10%
2	Absorbent bleached cotton	1313 - Finishing of textiles	26.90%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

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

	Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A.	Promoters									
(1)	Indian									
a)	Individual / HUF	2582297	-	2582297	52.61	2582297	-	2582297	52.61	-
b)	Central Govt.	-	-	-	-	-	-	-	-	-
c)	State Govt.(s)	-	-	-	-	-	-	-	-	-
d)	Bodies Corporate	-	-	-	-	-	-	-	-	-
e)	Banks / FI	-	-	-	-	-	-	-	-	-
f)	Any Other -Trust	268203	-	268203	5.46	268203	-	268203	5.46	-
	Sub-Total (A)(1):	2850500	-	2850500	58.07	2850500	-	2850500	58.07	-
(2)	Foreign									
a)	NRIs - Individuals	-	-	-	-	-	-	-	-	-
b)	Other - Individuals	-	-	-	-	-	-	-	-	-
c)	Bodies Corporate	-	-	-	-	-	-	-	-	-
d)	Banks / FI	-	-	-	-	-	-	-	-	-
e)	Any Other....	-	-	-	-	-	-	-	-	-
	Sub-Total (A)(2):	-	-	-	-	-	-	-	-	-
	Total Shareholding of Promoters (A) = (A)(1)+(A)(2)	2850500	-	2850500	58.07	2850500	-	2850500	58.07	-
	B. Public Shareholding									
(1)	Institutions									
a)	Mutual Funds / UTI	148	110	258	0.01	148	110	258	0.01	-
b)	Banks / FI	259	166	425	0.01	259	166	425	0.01	-
c)	Central Govt.	-	-	-	-	-	-	-	-	-
d)	State Govt.(s)	-	-	-	-	-	-	-	-	-
e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
f)	Insurance Companies	-	-	-	-	-	-	-	-	-
g)	FIs	-	-	-	-	-	-	-	-	-
h)	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i)	Others (specify)	-	-	-	-	-	-	-	-	-
	Sub-Total (B)(1):	407	276	683	0.01	407	276	683	0.01	-
(2)	Non-Institutions									
a)	Bodies Corporate									
i)	Indian	149373	482745	632118	12.88	109796	482745	592541	12.07	-0.81
ii)	Overseas	-	-	-	-	-	-	-	-	-
b)	Individuals									
i)	Individual Shareholders Holding nominal share capital upto ₹ 1 lakh	898484	169253	1067737	21.75	926559	166440	1092999	22.27	0.52
ii)	Individual Shareholders holding nominal share capital in excess of ₹ 1 lakh	345331	-	345331	7.04	352499	-	352499	7.18	0.14
c)	Others (specify)									

	Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
i)	NRI	11878	-	11878	0.24	10622	-	10622	0.22	-0.02
ii)	Clearing Members / Clearing House	329	-	329	0.01	8732	-	8732	0.18	0.17
	Sub-Total (B)(2):	1405395	651998	2057393	41.91	1408208	649185	2057393	41.92	-0.01
	Total Public Shareholding (B)=(B)(1)+(B)(2)	1405802	652274	2058076	41.93	1408615	649461	2058076	41.93	-
C.	Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
	Grand Total (A+B+C)	4256302	652274	4908576	100.00	4259115	649461	4908576	100.00	-

ii) Shareholding of promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total share	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total share	
1	Rajender Kumar Agarwal	1219359	24.84	-	1219359	24.84	-	-
2	Yamunadevi Agarwal	1011767	20.61	-	1011767	20.61	-	-
3	Badrinarayan Agarwal Family Trust	268203	5.46	-	268203	5.46	-	-
4	Badrinarayan Agarwal	222747	4.54	-	222747	4.54	-	-
5	Narbada Bai	128424	2.62	-	128424	2.62	-	-
	Total	2850500	58.07	-	2850500	58.07	-	-

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

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Westend Developers Limited				
	At the beginning of the year	481000	9.80	481000	9.80
	At the End of the year			481000	9.80
2	Jahnvi Sri Dhanya S				
	At the beginning of the year	77000	1.58	77000	1.58

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the End of the year			77000	1.58
3	Suryalakshmi Cotton Mills Limited				
	At the beginning of the year	37777	0.77	37777	0.77
	At the End of the year			37777	0.77
4	Ramesh Kumar Somani				
	At the beginning of the year	34780	0.71	34780	0.71
	Sale on 11th December 2015	(27440)	0.56	7340	0.15
	Sale on 18th December 2015	(7340)	0.15	Nil	Nil
	At the End of the year			Nil	Nil
5	Nileshkumar Manubhai Mehta				
	At the beginning of the year	30634	0.62	30634	0.62
	Sale on 7 th August 2015	(100)	0.00	30534	0.62
	Sale on 8 th August 2015	(441)	0.01	30093	0.61
	At the End of the year			30093	0.61
6	Baman K Mehta				
	At the beginning of the year	25900	0.53	25900	0.53
	At the End of the year			25900	0.53
7	Manish Nileshkumar Mehta				
	At the beginning of the year	24533	0.50	24533	0.50
	Sale on 1 st May 2015	(1000)	0.20	23533	0.48
	At the End of the year			23533	0.48
8	Vinodchandra Mansukhlal Parekh				
	At the beginning of the year	19992	0.41	19992	0.41
	At the End of the year			19992	0.41
9	Atul Jitendra Agarwal				
	At the beginning of the year	18500	0.38	18500	0.38
	At the End of the year			18500	0.38
10	AL Uma				
	At the beginning of the year	17516	0.36	17516	0.36
	At the End of the year			17516	0.36

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Badrinarayan Agarwal Executive Chairman				
	At the beginning of the year	222747	4.54	222747	4.54
	At the End of the year			222747	4.54
2	Rajender Kumar Agarwal Managing Director				
	At the beginning of the year	1219359	24.84	1219359	24.84
	At the End of the year			1219359	24.84
3	R. Surender Reddy Independent Director				
	At the beginning of the year	370	0.01	370	0.01
	At the End of the year			370	0.01
4	Surender Kumar Agarwal Independent Director				
	At the beginning of the year	Nil	Nil	Nil	Nil
	At the end of the year			Nil	Nil
5	Manish Gupta Independent Director				
	At the beginning of the year	Nil	Nil	Nil	Nil
	At the end of the year			Nil	Nil
6	Sushma Gupta Independent (Woman) Director				
	At the beginning of the year	185	0.00	185	0.00
	At the end of the year			185	0.00
7	B. Somasekhara Rao CFO & Company Secretary				
	At the beginning of the year	Nil	Nil	Nil	Nil
	At the end of the year			Nil	Nil

V. INDEBTEDNESS

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

(₹ in Lakhs)

	Secured Loans Excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year:				
i) Principal Amount	3360.48	229.31	-	3589.79
ii) Interest due but not paid	7.81	-	-	7.81
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	3368.29	229.31	-	3597.60
Change in Indebtedness during the financial year:				
• Addition	300.75	3.18	-	303.93
• Reduction	258.99	-	-	258.99
Net Change	41.76	3.18	-	44.94
Indebtedness at the end of the financial year:				
i) Principal Amount	3402.25	232.49	-	3634.73
ii) Interest due but not paid	18.52	-	-	18.52
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	3420.76	232.49	-	3653.25

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(₹ in Lakhs)

Sl. no.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		Mr. Rajender Kumar Agarwal, Managing Director	Mr. Badrinarayan Agarwal, Whole- time Director	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	23.52	25.20	48.72
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	2.87	3.06	5.93
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify...	-	-	-
5.	Others, please specify Contribution to Provident fund	2.02	-	2.02
	Total (A)	28.41	28.26	56.67
	Ceiling as per the Act	42.00*	42.00*	84.00

* As per Section II Part II of Schedule V

B. Remuneration to other Directors:

(₹ in Lakhs)

Sl. no.	Particulars of Remuneration	Name of the Directors				Total Amount
		Mr. R. Surender Reddy	Mr. Surender Kumar Agarwal	Mr. Manish Gupta	Ms. Sushma Gupta	
1.	Independent Directors					
	• Fee for attending board / committee meetings	0.23	0.25	0.31	0.20	0.99
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	Total (1)	0.23	0.25	0.31	0.20	0.99
2.	Other Non-Executive Directors					
	• Fee for attending board / committee meetings	-	-	-	-	-
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	0.23	0.25	0.31	0.20	0.99
	Total Managerial Remuneration (A+B)					57.66
	Overall Ceiling as per the Act (for Independent Directors)	8.00*	9.00*	11.00*	5.00*	33.00

* ₹ 1 lac per each meeting attended

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

(₹ in Lakhs)

Sl. no.	Particulars of Remuneration	Key Managerial Personnel
		Mr. B. Somasekhara Rao, CFO & Company Secretary
1.	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	16.15
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-
2.	Stock Option	-
3.	Sweat Equity	-
4.	Commission	-
	- as % of profit	-
	- others, specify...	-
5.	Others, please specify Contribution to Provident fund	0.43
	Total	16.58

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

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

Annexure - IV

MANAGEMENT DISCUSSION ANALYSIS FORMING PART OF THE ANNUAL REPORT

I. INDUSTRY STRUCTURE, DEVELOPMENT AND PRODUCT WISE PERFORMANCE

The Company is in the business of manufacturing of Polyester, polyester-viscose Blended Yarns and Medical Textiles Products at Aliabad, Shameerpet Mandal, Ranga Reddy District, in the state of Telangana, catering to both domestic and the export markets.

In terms of textile units, Indian Textile & Garment industry is one of the largest in the world. Most of the processing units in India are independent units, with some being integrated with spinning, weaving or knitting units.

2. INDIAN TEXTILE INDUSTRY

The textile industry of India has a very complex structure with a large vertical and horizontal spread. The textile policy of country need to recognize this complexity and to prioritize segments which have potential and those which have problems and need focus.

The Indian textiles industry currently account for over 4% of Country's GDP, 14% of its industrial production and over 12% of exports. With over 35 million workers directly in the industry and another 45 million indirectly in the allied sectors, textile industry continues to be the largest employer in the manufacturing sector of the country. Also, this industry provides employment mostly to uneducated and poor rural workers as well as women.

The Indian textiles industry has the potential to reach US \$ 350 billion (US\$ 200 billion domestic market with 11.5% CAGR and US\$ 150 billion export market with 14% CAGR) from the current size of US\$ 110 billion (domestic market US\$ 70 billion and export market US\$ 40 billion) by 2025 and create the 22 million new jobs if right policies are put in place without any delay.

India is well positioned to withstand near-term headwinds and volatility in global financial markets due to reduced external vulnerabilities, a strengthening domestic business cycle, and a supportive policy environment. With reforms gaining momentum in terms of execution, the growth is expected to 7.6% in FY 2016-17 as per Reserve Bank of India. Progress on infrastructure improvements and government efforts to boost investment are expected to offset the impact of any tightening of borrowing conditions resulting from tighter U.S. monetary policy. Such investment will also lift potential growth over the medium term. Low international energy prices and domestic energy reforms will ease energy costs for Indian firms that tend to be energy intensive.

Growth rate projections

Particulars	2015	2016E	2017E
India	7.3	7.5	7.5
China	6.9	6.5	6.2
Japan	0.5	0.5	(0.1)
USA	2.4	2.5	2.5

3. MAN-MADE FIBRES (MMF)

Our textile industry is targeted to grow by 12 percent during the next 10 years and that would mean that the total requirement of fabrics would reach around 20 billion kilos by 2023 whereas our current production is less than 8.5 billion kilos. Growth in cotton production is limited by availability of land and feasibility of increasing yields. Hence, the demand for the Man-made fibers will be several times higher than the existing production in the next 10 years.

If a level playing field is provided to man-made fibers in terms of taxation and policy support, production and consumption scenario will gradually change toward the global pattern facilitating the realization of the vast untapped potential in MMF based textile products for export market as well as domestic market.

Global Shift in Consumption of Man-Made Fiber from Cotton Fiber: In 1980, Polyester demand was only 5.2 Million tons globally and by 2000, it had reached 19.2 million tons. In 2014, demand is put at 46.1 million tons. Looking at the period from 1980-2014, total fiber demand growth has been 55.7 million tons – 73.4%

4. OPPORTUNITIES AND THREATS

4.1 Opportunities:

Rising disposable income: Rising disposable incomes and evolving lifestyles of India's prospering urban consumer, are broadening their clothing needs. Today, Indians are more inclined to buy apparels for a specific purpose, than consumers in other markets.

Growing exports: India has overtaken Germany and Italy to emerge as the world's second largest textile exporter but lags behind China, whose exports are nearly seven times higher. This presents a huge opportunity for the industry in the coming years.

High industrial growth: Average yearly growth rate for the Indian textile industry ranges around 6-8%. With production costs getting higher in China, it is quite likely for the international players to move into India for meeting their demands. This will allow the industry to grow further in the near future.

Foreign Direct Investment (FDI): The Indian government has positioned the textile industry to be one of the important manufacturing sectors that would lead the country in its quest to become a manufacturing hub. In order to improve the functions and operations of the industry and to ensure industrial growth, the government has allowed 100% FDI in the textile sector. In fact, India's FDI policies are the most liberal and transparent as compared to that of other emerging nations.

4.2 Threats:

Firms in textiles sector are facing following problems in adding capacity due to:

- Non-Availability of Adequate raw materials in terms of quantity and quality and at attractive prices
- Manufacturing Competitiveness across the textile Value Chain
- Lack of Infrastructure
- Shortage of skilled manpower and labour related issues
- Competition
- Uncertainty in market conditions
- Low export demand and uncertainty of economic environment
- Low domestic demand
- Competition from imports
- High financial charges

5. RISKS AND CONCERNS:

- Economic slowdown

Textile as a product is highly dependent on macro-economic scenario of the countries across the world. Any slowdown in the economy might have a direct impact on the operations of the Company.

- Sharp wage Increase and High energy Cost

The Sharp increase in wages in most of the states by more than 20% and high energy cost, cross subsidies, cess and taxes adding additional 20% to energy cost.

- Appreciation in US Dollar

The US dollar has strengthened continuously against the India Rupee other Currencies, due to the turmoil in the China market and recession in the European market. Due to a demand recession across the globe, increasing price in Indian markets has become extremely difficult.

6. OUT LOOK:

India is the 2nd largest global producer of textiles and garments. The textile sector plays a key role in the Indian economy by way of significant contribution to GDP, manufacturing output, employment generation and export earnings.

The Indian economy has witnessed two successive monsoon failures plus damages due to unseasonal rains, which has adversely impacted growth. An expected normal monsoon in fiscal 2017, will give agriculture a growth Kick which will prove good for the Indian economy and should shift upward, the sagging rural demand and overall GDP Growth.

To overcome the challenges and competition, we have taken various initiatives to reduce the operational cost, development of new innovative value added products and exploring new market based on certain parameters to achieve better margins in the future

Polyester Yarn

There has been considerable fall in polyester price, which has happened on the backdrop of decline in crude oil prices. During the period between April and February 2015-16, polyester price fell by a around 21% to \$1.22/Kg from \$1.55/Kg during the same period last year. However, in spite of fall in price, polyester has managed to emerge as the replacement for cotton in the global market.

7. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an adequate internal control system commensurate with the size and complexity of the organization. The Company has undertaken a comprehensive review of all internal control systems to take care of the needs of the expanding size of the Company and also upgraded the IT support systems. A system of internal audit to meet the statutory requirement as well as to ensure proper implementation of management and accounting controls is in place. The Audit Committee periodically reviews the adequacy of the internal audit functions.

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

There are no material developments in the Human Resources area. The industrial relations have been generally satisfactory. The Company entered into long-term wage agreements for a period of 4 years with workers' union. The Company constantly reviews the man power requirements and has a properly equipped Department to take care of the requirements. The total number of people employed by the Company as on 31.03.2016 was 344.

9. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The total Revenue for the year 2015-16 was ₹ 10296.57 lakhs and incurred loss of ₹ 334.10 lakhs

10. DISCLOSURE OF ACCOUNTING TREATMENT

In the preparation of financial statements, no treatment different from that prescribed in Accounting Standard has been followed.

NOTE:

1. Readers are advised to kindly note that the above discussion contains statements about risks, concerns, opportunities, etc., which are valid only at the time of making the statements. A variety of factors known / unknown, expected or otherwise may influence the financial results. These statements are not expected to be updated or revised to take care of any changes in the underlying presumptions.
2. Readers may therefore appreciate the context in which these statements are made before making use of the same.

Annexure - V

CORPORATE GOVERNANCE REPORT

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

Suryavanshi's corporate culture has meant working always proactively to meet the expectations of its customers, shareholders, employees, business associates, the society at large and in complying with the dictates of the regulatory frame work both in letter and spirit. The Company believes Corporate Governance is an effective instrument for realisation of this corporate aim and accordingly endeavors to function with integrity in a transparent environment.

The Company's philosophy on Corporate Governance is thus connected with the ethics, values and morale of the Company and its directors who are expected to act in the best

2. BOARD OF DIRECTORS

a) Composition and provisions as to Board and Committees:

Your Company's existing Board comprises of 6 (Six) Directors. Of these, 2 (two) are Executive Directors and 4 (four) are Independent Directors. Except for Sri Badrinarayan Agarwal and Sri Rajender Kumar Agarwal, being father and son, there is no inter-se relationship between other Board Members. The Chairman is an Executive Director. The details of the Directors with regard to outside directorships, committee positions and shareholding are as follows:

Name of the Director	Category	No. of other Directorships as on 31.03.2016	No. of membership(s) of Board Committees* in other companies as on 31.03.2016	No. of Chairmanship(s) of Board Committees* in other Companies as on 31.03.2016	No. of Shares held
Badrinarayan Agarwal DIN: 00042123	Executive Chairman (Promoter)	4	-	-	222747
Rajender Kumar Agarwal DIN: 00041892	Managing Director (Promoter)	5	-	-	1219359
R. Surender Reddy DIN: 00083972	Independent Director	6	7	3	370
Surender Kumar Agarwal DIN: 00281576	Independent Director	5	3	3	-
Manish Gupta DIN: 00526638	Independent Director	5	2	1	-
Sushma Gupta DIN: 07147330	Independent (woman) Director	2	-	-	185

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

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

Name of the Director	No. of Board meetings held from 01.04.2015 to 31.03.2016	No. of Board meetings attended from 01.04.2015 to 31.03.2016	Attendance at last AGM (29.09.2015)
Badrinarayan Agarwal	4	4	Yes
Rajender Kumar Agarwal	4	4	Yes
R. Surender Reddy	4	3	Yes
Surender Kumar Agarwal	4	3	Yes
Manish Gupta	4	4	Yes
Sushma Gupta	4	4	Yes

c) No of Board of Director Meetings held, dates on which meetings were held: During the financial year ended 31st March, 2016, Four (4) Board Meetings were held on 16.05.2015, 13.08.2015, 09.11.2015 and 13.02.2016.

d) Disclosure of relationships between directors inter-se:

Except for Sir Badrinarayan Agarwal and Sir Rajender Kumar Agarwal being father and son, there is no inter-se relationship between other Board Members.

e) Details of Familiarization Programme imparted to Independent Directors:

The Company has formulated a familiarization program for Independent Directors to provide insights into the Company's manufacturing, marketing, finance and other important aspects to enable the Independent Directors to understand its business in depth and contribute significantly to the Company. The Company Secretary briefs the Director about their legal and regulatory responsibilities as a Director. The details of such program are available in the Company's website (www.suryavanshi.com)

f) Re-appointment of Directors:

Particulars of directors being re-appointed are provided in the notice of the Annual General Meeting.

3. AUDIT COMMITTEE

a) Composition, name of members and Chairperson

- | | | |
|-------------------------------|---|--------------------------------|
| 1. Sri Surender Kumar Agarwal | – | Chairman, Independent Director |
| 2. Sri R. Surender Reddy | – | Member, Independent Director |
| 3. Sri Manish Gupta | – | Member, Independent Director |
| 4. Sri Rajender Kumar Agarwal | – | Member, Executive Director |

b) Meetings and attendance during the year

During the financial year ended March 31, 2016 – Four (4) Audit Committee Meetings were held on 16.05.2015, 13.08.2015, 09.11.2015 and 13.02.2016.

Name	No. of meetings attended
Sri Surender Kumar Agarwal	3
Sri R. Surender Reddy	3
Sri Manish Gupta	4
Sri Rajender Kumar Agarwal	4

c) Brief Description of Terms of reference

- (1) Oversight of Company's financial reporting process and disclosure of financial information;
- (2) Review of financial statements before submission to Board;
- (3) Review of adequacy of internal control systems and internal audit functions;

- (4) Review of Company's financial and risk management policies; and
- (5) Adequacy of internal financial control system in place and operating effectiveness of such controls.

4. NOMINATION AND REMUNERATION COMMITTEE

a) Composition, Name of members and Chairperson

1. Sri R. Surender Reddy – Chairman, Independent Director
2. Sri Surender Kumar Agarwal – Member, Independent Director
3. Sri Manish Gupta – Member, Independent Director

b) Meetings and attendance during the year

During the financial year ended March 31, 2016 – Three (3) Nomination & Remuneration Committee Meetings were held on 16.05.2015, 09.11.2015 and 13.02.2016.

Name	No. of meetings attended
Sri R. Surender Reddy	1
Sri Surender Kumar Agarwal	3
Sri Manish Gupta	3

c) Brief description of terms of reference

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of Independent Directors and the Board;
3. Devising a policy on Board diversity;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal; and
5. To ensure that the level and composition of remuneration involves a balance reflecting short and long term performance objectives appropriate to the working of the Company and its goals is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully.

d) Performance Evaluation Criteria for Independent Directors

The Board has adopted a formal performance evaluation policy for evaluating the performance of the Independent Directors. The exercise was carried out through a structured evaluation process covering various aspects such as attendance at meetings of Board and its committees, contribution at the meetings, independent judgement, experience & competencies, performance of specific duties & obligations, etc. The evaluation of the Independent Directors was carried out by the entire Board excluding the Director being evaluated.

The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Independent Directors.

5. REMUNERATION OF DIRECTORS

- (a) All pecuniary relationship or transactions of the non-executive directors vis-à-vis the listed entity – The Non-executive Directors do not have any pecuniary relationship or transactions vis-à-vis the listed entity except for receiving sitting fees for attending meetings of the Board and Committees.
- (b) Criteria of making payments to non-executive directors – Criteria of making payments to non-executive Directors has been disclosed in the Remuneration Policy of the Company hosted on its website. The same may be accessed at www.suryavanshi.com

(c) Disclosures with respect to remuneration:

- (i) All elements of remuneration package of individual directors summarized under major groups -

(₹ in Lakhs)

Sl. No.	Name of the Director	Salary	Perquisites	Sitting fees paid	Commission	Total
1	Badrinarayan Agarwal	25.20	3.06	-	-	28.26
2	Rajender Kumar Agarwal	23.52	4.89	-	-	28.41
3	R. Surender Reddy	-	-	0.23	-	0.23
4	Surender Kumar Agarwal	-	-	0.25	-	0.25
5	Manish Gupta	-	-	0.31	-	0.31
6	Sushma Gupta	-	-	0.20	-	0.20

- (ii) Details of fixed component and performance linked incentives, along with the performance criteria – The Company does not have any performance linked incentive for the Executive Directors. The appointments are made for a period of three years on the terms and conditions in the respective resolution passed by the Members in the General Meetings.
- (iii) Service contracts, notice period, severance fees – Nil
- (iv) Stock option details - The Company does not have any stock option plans at present.

6. STAKEHOLDERS' RELATIONSHIP COMMITTEE

- a. Name of Non-Executive Director heading the Committee:
Sri Surender Kumar Agarwal
- b. Name and designation of Compliance Officer:
Sri B. Somasekhara Rao, CFO & Company Secretary
- c. Number of Shareholders Complaints received so far:
No. of Complaints received for the 4th Quater - 1
No. of Complaints received for the Year ended 31st March 2016 – 14
- d. Number not solved to the satisfaction of shareholders: NIL
- e. Number of pending complaints : NIL

7. GENERAL BODY MEETINGS

- a) **Location and time, where last three AGMs held:**

Financial Year	Date	Venue	Time
2014-2015	29/09/2015	Gayatri Gardens, Survey No.26, Sikh Village, Near Diamond Point Hotel, Secunderabad - 500 003	10.00 A.M.
2013-2014	30/09/2014	Gayatri Gardens, Survey No.26, Sikh Village, Near Diamond Point Hotel, Secunderabad - 500 003	10.00 A.M.
2012-2013	28/09/2013	Gayatri Gardens, Survey No.26, Sikh Village, Near Diamond Point Hotel, Secunderabad - 500 003	12.00 Noon

- b) **Special Resolutions passed in the previous three AGMs:**

At the AGM held on 29.09.2015, the following special resolutions were passed:

- I. To maintain register of members and other related books at a place other than the registered office of the Company

2. Authorisation to the Board to create mortgage and charge over Company's movable and immovable properties in favor of Banks and Institutions.

At the AGM held on 30.09.2014, the following special resolutions were passed:

1. Appointment of Sri Badrinarayan Agarwal as Executive Chairman for a period of 3 years
2. Appointment of Sri Rajender Kumar Agarwal as Managing Director for a period of 3 years
3. Adoption of new Articles of Association in substitution of old
4. Sanction of Borrowing limits upto ₹ 200 crores under Section 180(1)(c) of the Companies Act, 2013
5. Authorisation to the Board to create mortgage and charge over Company's movable and immovable properties in favor of Banks and Institutions.
6. Approval for variation of terms of appointment of Sri Jeetender Kumar Agarwal
7. Approval for variation of terms of appointment of Sri Devender Kumar Agarwal

At the AGM held on 28.09.2013, no special resolutions were passed.

- c) **Whether Special resolutions were put through postal ballot during the financial year 2014-15, details of voting pattern: Nil**
- d) **None of the businesses proposed to be transacted at the ensuing Annual General Meeting require passing a resolution through postal ballot.**

Provisions of Companies Act, 2013 read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding passing of resolutions through postal ballot shall be complied with whenever necessary.

8. MEANS OF COMMUNICATION

- a. Quarterly results & website - The Company's quarterly financial results are informed to BSE Limited and also uploaded on the Company's website www.suryavanshi.com
- b. Newspapers wherein results are normally published - The results are usually published in Business Standard and Nava Telangana.
- c. Display of official news releases and the presentations made to institutional investors or to the analysts - The website shall be used for this purpose, whenever the occasion arises.

9. GENERAL SHAREHOLDER INFORMATION

- a) AGM – Date, time and Venue:

Day, Date	: Friday, 30.09.2016
Time	: 10.00 a.m
Venue	: Gayatri Gardens, Survey No.26, Sikh Village, Near Diamond Point Hotel, Secunderabad-500 003
- b) Financial Year : 1st April to 31st March of the following year
- c) Date of Book closure : 24th September, 2016 to 30th September, 2016 (both days inclusive)
- d) Dividend payment date : N.A.
- e) Listing on Stock Exchanges:

Name of Stock Exchange	: BSE Limited
Address	: P.J.Towers, Dalal Street, Mumbai – 400001
Listing Fees	: The Company has paid annual listing fees to the Stock Exchange.
- f) Stock code : 514140

g) Market price data & performance in comparison to broad-base indices i.e., SENSEX:

Month	BSE Limited			
	Share Price		SENSEX	
	High	Low	High	Low
April, 2015	12.52	9.06	29,094.61	26,897.54
May, 2015	12.98	10.06	28,071.16	26,423.99
June, 2015	12.18	9.50	27,968.75	26,307.07
July, 2015	12.30	10.25	28,578.33	27,416.39
August, 2015	13.30	9.51	28,417.59	25,298.42
September, 2015	10.20	8.95	26,471.82	24,833.54
October, 2015	11.47	8.68	27,618.14	26,168.71
November, 2015	9.88	8.62	26,824.30	25,451.42
December, 2015	11.57	8.05	26,256.42	24,867.73
January, 2016	12.71	8.98	26,197.27	23,839.76
February, 2016	9.89	8.10	25,002.32	22,494.61
March, 2016	11.00	8.54	25,479.62	23,133.18

h) Performance in comparison to broad-based indices such as BSE sensex, CRISIL Index etc -NA

i) Securities are suspended from trading: Nil

 j) **Registrar & Transfer Agent:**

Karvy Computershare Private Limited
 Karvy Selenium Tower B, Plot No 31 & 32,
 Gachibowli, Financial District, Nanakramguda,
 Serilingampally, Hyderabad – 500032
 Tel No. 040-67161606, Fax No. 040-23420814
 e-mail: einward@karvy.com
 Website: www.karvycomputershare.com

 k) **Share transfer system:**

Shares sent for transfer in physical form are registered and returned by our Registrar and Share Transfer Agent in 15 days of receipt of the documents, provided the documents are found to be in order. Shares under objection are returned within two weeks.

l) **Distribution of shareholding:**
Shareholding pattern as on 31.03.2016

S. No.	Particulars	No. of shares	% of Holding
(A)	Shareholding of Promoter and Promoter Group:		
1	Indian	2850500	58.07
2	Foreign	-	-
	Total Shareholding of Promoter and Promoter Group	2850500	58.07
(B)	Public Shareholding:		
1	Institutions	683	0.01
2	Non-Institutions	2057393	41.92
	Total Public Shareholding	2058076	41.93
(C)	Shares held by Custodians and against which Depository Receipts have been issued		
1	Promoter and Promoter Group	-	-
2	Public	-	-
	Total (A+B+C)	4908576	100.00

Distribution of shareholding as on 31.03.2016

Category	Holders		Amount	
	Number	% to total	In ₹	% to total
upto 5000	6291	93.78	4365010.00	8.89
5001 - 10000	186	2.77	1327350.00	2.70
10001 - 20000	100	1.49	1486620.00	3.03
20001 - 30000	42	0.63	1033910.00	2.11
30001 - 40000	18	0.27	627160.00	1.28
40001 - 50000	13	0.19	586680.00	1.20
50001 - 100000	33	0.49	2308000.00	4.70
100001 & ABOVE	25	0.37	37351030.00	76.09
TOTAL	6708	100.00	49085760.00	100.00

 m) **Dematerialisation of shares and liquidity**

The Company's shares are available for dematerialisation on both the Depositories i.e., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). 4259115 shares amounting to 86.77% of the paid-up capital have been dematerialised by investors as on 31st March, 2016.

ISIN: INE431C01023

Address of Registrar for Dematerialisation of Shares:

Karvy Computershare Private Limited

Karvy Selenium Tower B, Plot No 31 & 32, Gachibowli, Financial District, Nanakramguda,

Serilingampally, Hyderabad – 500032

Tel No. 040-67161606, Fax No. 040-23420814

e-mail: einward@karvy.com

Website: www.karvycomputershare.com

n) **Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity-**

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

o) **Commodity price risk or foreign exchange risk and hedging activities – Not Applicable**

p) **Plant Locations**

Yarn & Medical Textiles Divisions

Aliabad, Shameerpet Mandal, Medchal Taluq, Ranga Reddy district, Telangana State.

q) **Address for correspondence:**

- i. For transfer / dematerialisation of share, change of address of members and other queries relating to shares of the Company:

M/s. Karvy Computershare Private Limited
Karvy Selenium Tower B, Plot No 31 & 32, Gachibowli, Financial District,
Nanakramguda, Serilingampally, Hyderabad – 500032
Tel No. 040-67161606, Fax No. 040-23420814
e-mail: einward@karvy.com
Website: www.karvycomputershare.com

- ii. Any queries relating to dividend of earlier years & annual reports, etc.

The Company Secretary,
Suryavanshi Spinning Mills Limited,
6th Floor, Surya Towers,
105, S.P. Road,
Secunderabad – 500 003.
Phone No(s): 040 - 30512700
Fax No: 040 - 30512725
Email ID: grievances@suryavanshi.com

10. OTHER DISCLOSURES

a. **Disclosures on materially significant related party transactions that may have potential conflict with the interests of Company at large.**

During the period under review, the Company had not entered into any material transaction with any of its related parties. None of the transactions with any of related parties were in conflict with the Company's interest. Attention of members is drawn to the disclosure of transactions with related parties set out in Note No. 30 of Audited Financial Statements, forming part of the Annual Report.

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

Omnibus approval was granted by the Audit Committee for transactions entered with related parties for the financial year 2015-16 and the same was reviewed/cleared by the Audit Committee at regular intervals.

The Policy on the Related Party Transaction is hosted on the company's website - www.suryavanshi.com

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

c. **Whistle Blower policy:**

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

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

d. Details of compliance with mandatory requirements and adoption of non-mandatory requirements.

Mandatory requirements: All complied with.

Non-mandatory requirements:

- a. Audit qualifications: The Company is in the regime of unqualified financial statements.
- b. Separate posts of Chairman and Managing Director: The Company has appointed separate persons to the post of Chairman and Managing Director.
- c. Reporting of Internal Auditor: The Internal Auditor directly reports to the Audit Committee.
- e. **Web link where policy for determining 'material' subsidiaries is disclosed** – Not Applicable as the Company has no subsidiaries
- f. **Web link where policy on dealing with related party transactions is disclosed** - www.suryavanshi.com
- g. **Disclosure of commodity price risks and commodity hedging activities** - Nil

11. Non-compliance of any requirement of corporate governance report of sub- paras (2) to (10) above, with reasons thereof

Not Applicable as all requirements have been complied with.

12. The extent to which the discretionary requirements as specified in Part E of Schedule II have been adopted are disclosed under Para 10(d) of Corporate Governance Report.

13. The Company has complied with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as were applicable.

The above report has been approved by the Board of Directors in their meeting held on 30.05.2016.

DECLARATION

As provided under Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I, Rajender Kumar Agarwal, Managing Director of the Company hereby declare that all members of the Board of Directors and Senior Management Personnel have affirmed compliance with Suryavanshi Spinning Mills Limited Code of Conduct for the year ended March 31, 2016.

By order of the Board
For **Suryavanshi Spinning Mills Limited**

Place: Secunderabad

Rajender Kumar Agarwal

Date: 30.05.2016

Managing Director

NOTE: Disclosures with respect to Demat suspense account/unclaimed suspense account have not been given as there are no shares in demat suspense account/unclaimed suspense account.

CEO/CFO CERTIFICATE UNDER PART B OF SCHEDULE II OF SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015

To
The Board of Directors
Suryavanshi Spinning Mills Limited

We hereby certify that:

- A. We have reviewed the financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 2. these statements together present a true and fair view of the company's affairs and are in compliance with 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 for financial reporting and that they have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and they have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee:
1. significant changes in internal control over financial reporting during the year;
 2. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 3. instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

For **Suryavanshi Spinning Mills Limited**

Place : Secunderabad
Date : 30.05.2016

Rajender Kumar Agarwal
Managing Director

B. Somasekhara Rao
CFO & Company Secretary

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the members of
Suryavanshi Spinning Mills Limited,
Secunderabad.

We have examined the compliance of conditions of Corporate Governance by **SURYAVANSHI SPINNING MILLS LIMITED**, Secunderabad, for the year ended on 31st March, 2016, as stipulated in Securities and Exchange Board of India (Listing obligations and Disclosure requirements) Regulations, 2015 as per the listing agreement entered into by the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance of the conditions of the Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

For Brahmaya & Co.,
Chartered Accountants

Place : Hyderabad
Date :30.05.2016

K.SHRAVAN
Partner
(Membership No. 215798)

INDEPENDENT AUDITOR'S REPORT

To The Members Of Suryavanshi Spinning Mills Limited, Secunderabad.

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its Loss and its cash flows for the year ended on that date.

Emphasis of Matter:

We draw attention to Note No. 33 to the financial statements relating to non-provision of interest for delay in payments to MSME suppliers. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect of adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 25 (c), (d) and (e) of financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

for **BRAHMAYYA & CO.**
Chartered Accountants
Firm's Regn No. 0005133

(K.SHRAVAN)

Partner

Membership No. 215798

Place : Hyderabad
Date : 30.05.2016

Annexure - A to the Auditor's Report:

The Annexure referred to in Para I under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date, to the members of SURYAVANSHI SPINNING MILLS LIMITED, SECUNDERABAD, for the year ended March 31, 2016.,

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 the fixed assets during the year and there is a regular programme of physical verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of the assets. No discrepancies were noticed on such verification.
 - c. According to the information and explanation given to us and on the basis of our examination of the records of the Company, the immovable properties have been transferred to Suryavanshi Spinning Mills Limited (Demerged company) as per the scheme of demerger approved by Hon'ble High Court at Hyderabad.
2. As explained to us, the inventories have been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on physical verification between the physical stocks and book records were not material.
3.
 - a. During the year, the Company has not granted any loans, secured or unsecured to Companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
 - b. In view of our comments in para (a) above, Clause (III) (a), (b) and (c) of paragraph 3 of the aforesaid order are not applicable to the Company.
4. In our opinion and according to the information and explanation given to us, the Company has not advanced any loan to any Director and no investments were made during the year as referred to in sections 185 and 186 of the Act. Therefore, the provisions of Paragraph 3(iv) of the Companies (Auditor's Report) Order 2016 are not applicable to the Company.
5. The Company has not accepted any deposits from the public. Hence the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013, and the rules framed there under, do not apply to this Company.
6. We have broadly reviewed the cost records maintained by the Company pursuant to sub-section (1) of section 148 of the Companies Act, 2013 and are of the opinion that prime facie the prescribed accounts and records have been made and maintained. We have however not made a detailed examination of the cost records with a view to determine whether they are accurate or Complete.
7.
 - a. According to the records, the company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, Income-tax, Sales-tax, Service tax, Duty of customs, Duty of excise, Value added tax, Cess and all other statutory dues with the appropriate authorities. According to the information and explanations given to us, there are no arrears of outstanding statutory dues as at the last day of the financial year for a period more than six months from the date they became payable.
 - b. According to the records of the Company and the information and explanations given to us, the dues of Sales tax, Income tax, Custom Duty, Wealth Tax, Service Tax, Excise Duty, Cess, which have not been deposited on account of dispute are as follows:

Nature of the Statute	Nature of Dues	Amount (Rs in Lakhs)	Period to which the amount relates (Financial year)	Forum where dispute is pending
Andhra Pradesh General Sales Tax (APGST) Act, 1957	Sales Tax dues	23.51	2001-2002	Hon'ble High Court, Hyderabad

8. In our opinion and according to the information and explanations given to us, the Company has not paid the last quarter installments which are due for repayment as on the Balance Sheet date to financial institutions and Banks.

Particulars	Amount of due as at the Balance Sheet date (Rs in Lakhs)	Period of due (days)
Name of Lenders:		
i) Andhra Bank – I	14.00	1 to 30
ii) Andhra Bank – II	12.00	1 to 30
iii) ICICI Bank	22.27	1 to 60

9. The Company did not raise any money by way of initial public offer or further public offer (including debt instrument) during the year. In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.
10. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Companies (Auditor's Report) Order 2016 is not applicable.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Companies (Auditor's Report) Order 2016 is not applicable.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

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

Place : Hyderabad
 Date : 30.05.2016

(**K.SHRAVAN**)
 Partner
 Membership No. 215798

Annexure – B to the Auditor’s Report

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

We have audited the internal financial controls over financial reporting of SURYAVANSHI SPINNING MILLS LIMITED, SECUNDERABAD (“the Company”) as of 31st March 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud and error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Place : Hyderabad
Date : 30.05.2016

(K.SHRAVAN)
Partner
Membership No. 215798

Balance Sheet as at 31st March, 2016

(Figures in ₹ Lakhs)

Particulars	Note No.	As at 31st March, 2016	As at 31st March, 2015
Equity and Liabilities			
Shareholders' funds			
Share capital	1	491.08	491.08
Reserves and surplus	2	478.91	898.82
		969.99	1389.90
Non-current liabilities			
Long-term borrowings	3	1907.97	1917.82
Long-term provisions	4	77.57	64.67
		1985.54	1982.49
Current liabilities			
Short-term borrowings	5	1412.17	1401.66
Trade payables	6	600.15	389.46
Other current liabilities	7	697.07	637.06
Short-term provisions	8	5.88	5.67
		2715.27	2433.85
Total		5670.80	5806.24
Assets			
Non-current assets			
Fixed assets			
Tangible assets	9	3089.81	3160.50
Intangible assets		0.13	0.13
Capital work-in-progress		364.62	95.32
		3454.56	3255.95
Non-current investments	10	62.38	62.39
Long-term loans and advances	11	197.12	172.10
		3714.06	3490.44
Current assets			
Inventories	12	1108.88	1045.22
Trade receivables	13	447.99	487.01
Cash and cash equivalents	14	44.40	263.15
Short-term loans and advances	15	55.76	66.45
Other current assets	16	299.71	453.97
		1956.74	2315.80
Total		5670.80	5806.24
Notes on financial statements	I to 36		

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

per our report of even date

For **Brahmayya & Co.**

Chartered Accountants

Firms' Registration Number: 000513S

R.K. Agarwal

Managing Director

For and on behalf of Board of Directors

B.N. Agarwal

Chairman

K.Shravan

Partner

Membership Number: 215798

B.Somasekhara Rao

Chief Financial Officer

& Company Secretary

Surender kumar Agarwal

Director

Place : Hyderabad

Date : 30th May, 2016

Statement of Profit and Loss for the Year ended 31st March, 2016

(Figures in ₹ Lakhs)

Particulars	Note No.	Current year 31st March, 2016	Previous Year 31st March, 2015
Revenue			
Revenue from operations	17	10181.44	10635.09
Other income	18	115.13	152.83
Total Revenue		10296.57	10787.92
Expenses			
Cost of materials consumed	19	6341.38	6978.83
Purchases of Stock-in-Trade		-	87.17
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	20	3.68	(172.28)
Power and fuel	21	1383.83	1297.95
Employee benefits expense	22	931.88	798.85
Finance costs	23	533.52	440.17
Depreciation and amortization expense		173.12	173.33
Other expenses	24	1248.65	1154.86
Total expenses		10616.06	10758.88
Profit/(Loss) before Exceptional items and tax		(319.49)	29.04
Exceptional items (Demerger Expenses)		14.61	-
Profit/(Loss) before tax		(334.10)	29.04
Tax expense For earlier years		85.83	
Profit/(Loss) for the period, after tax		(419.93)	29.04
Earnings per equity share:			
(1) Basic		(8.55)	0.59
(2) Diluted		(8.55)	0.59
Notes on financial statements	I to 36		

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

per our report of even date

For **Brahmayya & Co.**

Chartered Accountants

Firms' Registration Number: 000513S

R.K. Agarwal

Managing Director

For and on behalf of Board of Directors

B.N. Agarwal

Chairman

K.Shravan

Partner

Membership Number: 215798

B.Somasekhara Rao

Chief Financial Officer
& Company Secretary

Surender kumar Agarwal

Director

Place : Hyderabad

Date : 30th May, 2016

Notes forming part of the financial statement as at 31st March, 2016

(Figures in ₹ Lakhs)

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	Number	Amount	Number	Amount
I Share Capital :				
Authorised				
Equity Shares of ₹ 10 each	35250000	3525.00	35250000	3525.00
	35250000	3525.00	35250000	3525.00
Issued				
Equity Shares of ₹ 10 each	4913076	491.31	4913076	491.31
	4913076	491.31	4913076	491.31
Subscribed & paid up				
Equity Shares of ₹ 10 each	4908576	490.85	4908576	490.85
Less: Allotment Money in Arrears (Dues from Directors and Officers ₹ Nil)				
	4908576	490.85	4908576	490.85
Forfeited Shares:				
	-	0.23		0.23
Total	4908576	491.08	4908576	491.08

- (a) The Company has only one class of shares referred to as equity shares having a par value of ₹ 10/- each. Each holder of equity shares is entitled to one vote per share.
- (b) Disclosure pursuant to note no. 6(A)(d) Part I of schedule III of the Companies Act, 2013

Particulars	As at 31st March, 2016 Equity shares	As at 31st March, 2015 Equity shares
Shares outstanding at the beginning of the year	4908576	4908576
Shares issued during the year	-	-
Partly paid Equity shares of ₹ 5/- each	-	-
Shares redeemed / bought back during the year	N.A	N.A
Shares forfeited during the year	-	
Shares outstanding at the end of the year	4908576	4908576

- (c) Disclosure pursuant to Note no. 6(A)(g) of Part I of Schedule III to the Companies Act, 2013 (if more than 5%)

Name of Shareholder	As at 31st March, 2016		As at 31st March, 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Rajender Kumar Agarwal	1219359	24.84	1219359	24.84
Yamunadevi Agarwal	1011767	20.61	1011767	20.61
Badrinarayan Agarwal Family Trust	268203	5.46	268203	5.46
Westend Developers Ltd	481000	9.80	481000	9.80

Notes forming part of the financial statement as at 31st March, 2016

(Figures in ₹ Lakhs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
2 Reserves & Surplus :		
a. Capital Redemption Reserve		
At the commencement of the year	8.00	8.00
Closing Balance	8.00	8.00
b. Securities Premium Account		
At the commencement of the year	1048.61	1048.61
Closing Balance	1048.61	1048.61
c. Export Allowance Reserve		
At the commencement of the year	5.50	5.50
Closing Balance	5.50	5.50
d. Surplus		
At the commencement of the year	(163.27)	(140.16)
Add : Carrying value of assets whose useful life exhausted pursuant to Schedule-II of the Companies Act, 2013.	-	(52.17)
Add : For current year	(419.93)	29.04
Closing Balance	(583.20)	(163.30)
Total	478.91	898.82

Notes forming part of the financial statement as at 31st March, 2016

(Figures in ₹ Lakhs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
3 Long Term Borrowings :		
Secured		
i. Term loans from banks		
a) ICICI Bank Ltd	-	45.88
b) Andhra Bank-I	-	60.83
c) Andhra Bank -II	165.60	230.76
d) Andhra Bank - Corporate Loan	1004.00	994.50
e) State Bank of Hyderabad - Additional Term loan	373.76	331.13
f) Andhra Bank - Working capital term loan	-	14.40
g) State Bank of Hyderabad - Working capital term loan	-	4.72
h) Reliance Capital Limited	132.13	0.00
	1675.49	1682.22

NOTES:

- Term Loans referred at (a) to (e) and (h) above are secured by mortgage of fixed assets present and future of the company on first charge pari passu basis and guaranteed by two Directors and two relatives of directors of the Company.
- Working capital term loans referred at (f) and (g) above are Secured by way of hypothecation of Raw materials, Stock-in-process, finished goods and stores and spares and book debts of the Company and also secured by way of second charge on fixed assets of the company on pari passu basis and guaranteed by two Directors and two relatives of directors of the Company.

Terms of Repayment

Name of the Bank	Rate of Interest	Quarterly
a) Andhra Bank -II	15.00%	8
b) Andhra Bank - Corporate Loan	14.75%	24
c) State Bank of Hyderabad - Additional Term loan	14.75%	24

Particulars	As at 31st March, 2016	As at 31st March, 2015
Other loans and advances		
Vehicle purchase loan :		
HDFC Bank Ltd	-	6.29
Vehicle hire Purchase Loans above are secured by hypothecation of the respective asset and guaranteed by one of the directors of the company		
Terms of Repayment : Monthly instalments		
Unsecured		
Deferred sales tax liability	110.69	110.69
Unsecured Loan from Directors	101.00	100.00
Inter-corporate Deposits	20.79	18.62
	232.48	229.31
Total	1907.97	1917.82

Notes forming part of the financial statement as at 31st March, 2016

(Figures in ₹ Lakhs)

The sales tax deferment liability amounting to ₹ 110.69 lakhs shown under unsecured loans above, is due for repayment as under

Year	Year of Repayment	Amount
2003-04	2017-18	25.41
2004-05	2018-19	16.98
2005-06	2019-20	6.22
2008-09	2022-23	11.68
2011-12	2024-25	10.08
2012-13	2025-26	40.32
		110.69

Particulars	As at 31st March, 2016	As at 31st March, 2015
4 Long Term Provisions		
Provision for employee benefits		
Gratuity (unfunded)	74.98	63.41
Leave Encashment (unfunded)	2.59	1.26
Total	77.57	64.67
5 Short Term Borrowings :		
Secured		
(a) Loans repayable on demand	971.00	1017.28
(i) Andhra Bank	437.61	377.85
(ii) State Bank of Hyderabad	1408.61	1395.13
1. Working Capital Loans referred above are secured by way of hypothecation of Raw materials, Stock in process, finished goods and stores and spares and book debts of the Company and also secured by way of second charge on fixed assets of the company on pari passu basis and guaranteed by two Directors and two relatives of directors of the Company.		
(b) Other loans and advances		
Vehicle Purchase Loan :		
HDFC Bank Ltd	3.56	6.53
Total	3.56	6.53
	1412.17	1401.66
6 Trade Payables :		
Dues to: Small and Micro Enterprises (Refer to Note No. 33)	45.79	33.20
: Other than Small and Micro Enterprises	554.36	356.26
Total	600.15	389.46

Notes forming part of the financial statement as at 31st March, 2016

(Figures in ₹ Lakhs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
7 Other Current Liabilities :		
(a) Current maturities of long-term debt		
i. Term loans from banks		
a) ICICI Bank Ltd	66.64	100.20
b) Andhra Bank-I	64.27	57.44
c) Andhra Bank -II	76.00	47.69
d) Andhra Bank - Working capital term loan	-	42.30
d) Andhra Bank - Corporate Loan	52.00	-
e) State Bank of Hyderabad - Working capital term loan	8.23	35.50
f) State Bank of Hyderabad - Additional Term loan	22.00	-
g) Reliance Capital Limited	29.01	-
	318.15	283.13
(b) Interest accrued and due on borrowings		
Andhra Bank- T.L	17.64	5.87
ICICI Bank Ltd.	0.87	1.92
SBH- T.L	-	0.02
(c) Other payables	220.06	236.70
(d) Other payables - Statutory dues	10.94	3.37
(e) Salary & Reimbursements	75.68	57.08
(f) Contribution to PF & ESI	7.04	5.70
(g) Bonus Payable	10.34	6.98
(h) Advances received against sales	31.07	14.77
(i) Security Deposits Payable	5.28	5.28
(j) Sales tax deferment payable	-	16.24
	378.92	353.93
Total	697.07	637.06
8 Short Term Provisions :		
Provision for employee benefits		
Gratuity (unfunded)	5.38	5.40
Leave Encashment (unfunded)	0.50	0.27
Total	5.88	5.67

Notes forming part of the financial statement as at 31st March, 2016
9 Fixed Assets

(Figures in ₹ Lakhs)

Particulars	Gross Block			Accumulated Depreciation/Amortisation			Net Block	
	Balance as at 1st April 2015	Additions	Disposals	Balance as at 1st April 2015	Depreciation for the year	Disposals	Balance as at 31st March 2016	Balance as at 1st April 2015
a								
Tangible Assets								
Land	6.13	-	-	0.00	0.00	-	6.13	6.13
Buildings :								
Factory Buildings	785.67	-	-	360.07	22.04	-	403.56	425.60
Non Factory Buildings	99.03	55.03	-	21.39	1.74	-	130.93	77.64
-Non Resident								
- Resident	114.44	-	-	17.13	1.80	-	95.51	97.31
Plant and Equipment :								
Plant And Machinery	5125.78	-	2.72	2726.98	118.54	2.58	2,842.94	2,398.80
Generators	91.35	-	62.69	86.82	-	59.58	27.24	4.53
Testing Equipment	18.04	-	-	16.82	0.05	-	16.87	1.22
Electrical Installations	164.20	12.41	-	117.25	5.81	-	123.06	46.95
Workshop Equipment	0.90	-	-	0.89	-	-	0.89	0.01
Weighing Machines	7.04	-	-	4.29	0.36	-	4.65	2.75
Water Works	16.67	-	-	15.08	0.10	-	15.18	1.59
Furniture & Fixtures	13.37	19.95	-	10.66	0.82	-	11.48	2.71
Office Equipment	10.87	0.49	-	9.70	0.28	-	9.98	1.17
Air Conditioners	10.24	16.31	-	6.27	0.95	-	7.22	3.97
Vehicles	183.32	-	-	97.09	19.22	-	116.31	86.24
Data Processing	35.56	1.50	-	31.69	1.41	-	33.10	3.87
Total	6682.61	105.69	65.41	3522.13	173.12	62.16	3633.09	3160.49
b								
Intangible Assets								
Computer software	2.56	-	-	2.44	-	-	2.44	0.13
Total	2.56	-	-	2.44	-	-	2.44	0.13
c								
Capital Work In Progress								
Total	95.32	374.99	105.69	-	-	-	-	95.32
Total (a+b+c)	6780.49	480.68	171.10	3524.57	173.12	62.16	3635.53	3255.95
Less: Internal Transfer		105.69	105.69	-	-	-	-	-
Total	6780.49	375.00	65.41	3524.57	173.12	62.16	3635.53	3255.95
previous years figures	6698.19	104.48	22.18	3363.89	173.33	12.67	3524.55	3386.48

Notes forming part of the financial statement as at 31st March, 2016

(Figures in ₹ Lakhs)

Particulars	Face Value	No. of Shares	As at 31st March, 2016	As at 31st March, 2015
10 Non-current Investments :				
A At Cost - Non-Trade - Quoted :				
(a) Investment in Equity instruments				
Jindal Polyfilms Limited	10	500	0.49	0.49
Artefact Projects Limited	10	2000	0.20	0.20
Merbank Finance & Services Ltd	10	2000	0.20	0.20
Andhra Bank	10	5700	0.57	0.57
Icici Bank Ltd	10	100	0.04	0.04
Coal India Limited	10	441	1.08	1.08
Total (a)			2.58	2.58
B At Cost - Non-Trade - Unquoted :				
Investments in controlled entities				
Suryavanshi integrated apparel park ltd	10	9000	0.90	0.91
Seshadri Power And Infrastrucure Pvt Limited	10	589000	58.90	58.90
Total (b)			59.80	59.81
Total (a+b)			62.38	62.39
Aggregate market value of quoted investments - ₹ 7.46 lakhs (Previous year ₹ 7.97 lakhs)				
11 Long Term Loans and Advances :				
Deposits Recoverable				
(Unsecured considered good)				
(Electricity and other deposits)			197.12	172.10
Advance for Investment			-	-
			197.12	172.10

Notes forming part of the financial statement as at 31st March, 2016

(Figures in ₹ Lakhs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
12 Inventories :		
(Valued and certified by the Management)		
a. Raw Materials	384.77	358.86
(Valued at cost on weighted average basis)		
b. Stores and spares	113.37	71.95
(Valued at cost on weighted average basis)		
c. Finished goods		
(Valued at lower of cost or net realisable value basis)		
Yarn	365.10	390.35
d. Work-in-progress	244.07	223.41
(Valued at lower of cost or net realisable value basis)		
e. Others - Cotton & PV Waste (at realisable value)	1.57	0.65
Total	1108.88	1045.22
Details of Raw Materials :		
Polyster Staple Fibre	255.12	249.87
Imported PSF	2.35	2.35
Viscose Staple Fibre	6.63	15.41
Yarn	41.07	41.07
Cotton fibre	79.60	50.16
Total	384.77	358.86
13 Trade Receivables :		
(Unsecured, considered good)		
Receivables for a period exceeding six months	40.74	19.59
Receivables for a period less than six months	407.25	467.42
Total	447.99	487.01
14 Cash and cash equivalents :		
Cash on hand	11.36	2.12
Balances with Banks		
With Scheduled Banks	28.03	52.79
Balance with Banks against Margin Money / Guarantees	5.00	208.22
Savings Bank Account with post office (kept as security with sales tax department)	0.02	0.02
Total	44.41	263.15

Notes forming part of the financial statement as at 31st March, 2016

(Figures in ₹ Lakhs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
15 Short-term loans and advances :		
(Unsecured considered good)		
Advances for Capital purchases	2.00	19.70
Advances for purchases of Raw Material & Stores	50.23	44.65
	52.23	64.35
Advances to Staff	2.95	1.33
Other Advances	0.58	0.77
	55.76	66.45
16 Other Current Assets :		
Balance with Government Department	1.33	43.06
Subsidies Receivable	23.66	24.52
Interest Receivable	13.24	13.56
Export Licence Receivable	15.61	42.67
Pre-paid Expenses	23.66	16.51
Advance Tax (Net of provision)	128.94	122.85
MAT Credit entitlement	92.05	177.88
Other advances	1.22	1.22
Miscellaneous Expenses to be Written Off	-	11.70
	299.71	453.97
17 Sale of Products :		
(a) Domestic Sales		
Yarn	7416.39	8324.80
Medical Textiles	29.98	24.15
Cotton Waste	26.25	37.63
Total	7472.62	8386.58
(b) Export Sales		
Medical Textiles	2708.82	2159.63
Traded Export Yarn	-	88.88
Total	2708.82	2248.51
Grand Total	10181.44	10635.09

Notes forming part of the financial statement as at 31st March, 2016

(Figures in ₹ Lakhs)

	As at 31st March, 2016	As at 31st March, 2015
18 Other Income :		
Interest Income	14.87	27.71
Dividend Income	0.24	0.03
Gain on foreign currency transactions & translation	2.08	51.29
Export benefits entitlement	74.23	70.01
Profit on sale of Assets	0.06	1.23
Insurance Claims	14.46	-
Excess Provision written Back	0.22	0.11
Credit Balance written back	-	1.82
Profit on sale of licence	6.41	0.53
Prior Period Income	2.56	0.10
Total	115.13	152.83
19 Cost of materials consumed :		
Opening Stocks	358.86	466.75
Add : Purchases	6387.67	6870.94
Total	6746.53	7337.69
Less : Cost of Raw materials sold	20.38	-
Less : Closing Stocks	384.77	358.86
Total	6341.38	6978.83
Raw Materials consumed :		
Indigeneous	100% 6341.38	100% 6978.83
Total	100% 6341.38	100% 6978.83
Details of Raw Material Consumed :		
Cotton	-	48.42
Viscose Staple Fibre	97.13	319.09
Polyester Staple Fibre	4510.90	5087.52
Cotton fibre	1440.60	1307.77
Dyeing Materials	292.74	216.03
Total	6341.38	6978.83

Notes forming part of the financial statement as at 31st March, 2016

(Figures in ₹ Lakhs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
20 Changes in inventories of Finished Goods, work-in-progress and stock-in-trade :		
OPENING STOCKS:		
Yarn	390.35	313.97
Stock-in-Process	223.42	126.21
Cotton waste	0.65	1.96
	614.42	442.14
CLOSING STOCKS:		
Yarn	365.10	390.35
Stock-in-Process	244.07	223.42
Cotton waste	1.57	0.65
	610.74	614.42
(INCREASE)/DECREASE IN STOCKS	3.68	(172.28)
21 Power and fuel :		
Electricity Charges	1383.66	1296.77
Fuel Consumed	0.17	1.18
Total	1383.83	1297.95
22 Employee Benefits Expense :		
Salaries and incentives	845.15	730.38
Contributions to Provident Fund	30.68	25.35
Gratuity	16.20	11.07
Contributions to Employee State Insurance	13.19	12.18
Staff welfare expenses	26.66	19.87
Total	931.88	798.85
23 Finance Cost :		
Interest expense	499.34	425.93
Other borrowing costs	34.18	14.24
Total	533.52	440.17

Notes forming part of the financial statement as at 31st March, 2016

(Figures in ₹ Lakhs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
24 Other Expenses :		
Stores Consumption :		
Consumable Stores	60.21	60.05
Packing Material Consumed	140.45	136.85
Consumption Of Fire Wood	127.18	82.89
	327.84	279.79
Payments to the auditor as		
a. auditor	0.69	0.45
b. for taxation matters	0.34	0.22
c. for Certification	0.18	0.18
	1.21	0.85
Rent	1.78	1.32
Repairs to : Buildings	20.71	9.38
: Machinery	172.19	122.67
: Others	17.99	15.68
Insurance	19.35	16.91
Rates and taxes, excluding, taxes on income	23.44	20.47
Training Charges	2.42	0.21
Printing and Stationery	5.27	4.76
Postage, Telegrams and Telephones	7.77	7.60
Travelling and Conveyance	34.31	45.04
Managerial Remuneration	54.52	56.54
Directors' Sitting Fees	1.40	1.72
Advertisement	2.06	1.77
Commission on Sales	11.91	22.17
Expenses on Sales	367.55	430.26
Legal & Professional Charges	11.07	7.70
Vehicle Maintenance	36.17	32.21
Bad debts and Debit balance written off	-	0.26
Loss on Sale of Fixed Assets	0.12	0.23
Miscellaneous expenses	127.14	65.52
Loss on foreign currency transactions & translation	2.27	11.80
Prior period items	0.16	-
	919.60	874.22
Grand Total	1248.65	1154.86

Notes forming part of the financial statement as at 31st March, 2016

(Figures in ₹ Lakhs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
25. Contingent Liabilities not provided for		
a) Against Foreign Bills Discounted	356.28	104.53
b) Contracts to be executed on Capital Accounts	12.52	115.52
c) Demand from Sales Tax Department, Andhra Pradesh in connection with levy of purchase tax on polyester staple fibre from Reliance Industries Limited, levy of tax on work contract receipts and withdrawal of deferment availed by the company for the year 2001-02. AP Sales Tax Appellate Tribunal set aside the order passed by the Sales Tax Authorities. The Department has challenged the said order before the Hon'ble High Court of Hyderabad and the same is pending.	23.51	24.58
d) During the financial year, Company purchased power from Power Exchange at its Spinning division at Aliabad , Ranga Reddy District, Telangana. TSSPDCL imposed Cross subsidy to be paid on power drawn from Power Exchange at the rate of ₹ 1.29 per unit. Company took stay from Hon'ble High Court of Telangana to limit Cross Subsidy to ₹ 0.30 per unit. The Company is of the opinion that the liability on account of differential Cross subsidy of ₹ 0.99 per unit on power drawn from power exchange may not arise.	28.94	-
e) M/s.Suryavanshi Textiles Ltd was amalgamated with our company vide scheme of merger sanctioned by Board for Industrial and Financial Reconstruction (BIFR) under the provisions of Sick Industrial Companies (Special Provisions) Act, 1985 with effect from 01-04-2007.The scheme incorporates certain reliefs and concessions for consideration by income tax department including exemption from applicability of MAT u/s.115JB of the Income Tax Act, 1961 for a period of five years from 01-04-2007.The company is pursuing the matter with the authorities concerned for the said reliefs as per the scheme of merger and liability under MAT u/s 115JB of Income Tax Act 1961 including interest as per assessment orders is ₹ 41 lacs and ₹ 443 lacs for the assessment years 2010- 11 and 2011-12 respectively. In the event of the liability being crystallized, the liability shall be shared by Suryavanshi Spinning Mills Limited (Demerged Company) , Aananda Lakshmi Spinning Mills Limited (Resulting Company 1) and Sheshadri Industries Limited (Resulting Company 2) equally, since the Company is demerged on 01-04-2013 (Appointed Date) as per the Scheme of Arrangement approved by Hon'ble High Court at Hyderabad.How ever, the relief sought by the company was heard by BIFR and the proceedings are awaited.		
26. Expenditure in Foreign currency during the year on account of :		
a) Commission on Exports	3.96	2.11
b) Foreign Travel	9.08	23.83
27. Value of imports calculated on CIF basis in respect of :		
a) Purchase of Machinery	-	3.87
b) Purchase of Stores & Spares	7.01	-
28. Earnings in Foreign Exchange:		
F O B value of exports	2650.22	2162.80

Notes forming part of the financial statement as at 31st March, 2016

(Figures in ₹ Lakhs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
29. Composition of Net Deferred Tax Asset/(Liability) :		
Components of Deferred Tax		
Deferred Tax Asset on account of		
carry forward Loss	709.86	587.11
Employee Benefits	27.07	22.81
	736.93	609.92
Deferred Tax Liability on account of:		
Depreciation	511.81	494.39
	511.81	494.39
Deferred Tax Asset/(Liability) (Net)	225.12	115.53

Note: The company has not recognised deferred Tax Asset as a matter of prudence.

30. Related party disclosure

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

Name of the Party	Relationship	Name of Transaction	As at 31st March, 2016	As at 31st March, 2015
a. Transactions during the year				
Key Management				
Sri B.N.Agarwal Chairman	Key Management	Remuneration	28.26	28.26
		Unsecured Loan	-	12.00
Sri R.K.Agarwal Managing Director	Key Management	Remuneration	28.41	28.41
		Unsecured Loan	1.00	85.02
Relatives				
Mr. Rishikesh garwal	Son of Sri R.K. Agarwal	Salary	17.64	6.69
		Unsecured Loan	-	2.98
Associates				
M/s. Aananda Lakshmi Spinning Mills Limited	Enterprise in which the Key management personnel and relatives are interested	Purchase of Yarn	-	87.17
		Purchase of Raw Material	197.52	197.93
		Sale of Raw Material	20.39	-
M/s. Sheshadri Industries Limited	Enterprise in which the Key management personnel and relatives are interested	Purchase of Raw Material	282.10	218.83
		Purchase of Machinery	0.51	-

Notes forming part of the financial statement as at 31st March, 2016

(Figures in ₹ Lakhs)

Name of the Party	Relationship	Name of Transaction	As at 31st March, 2016	As at 31st March, 2015
M/s. Suryalakshmi Cotton Mills Limited	Enterprise in which the Key management personnel and relatives are interested	Unsecured Loan	16.67	16.67
b. Payable as at 31.03.2016				
M/s. Suryalakshmi Cotton Mills Limited	Enterprise in which the Key management personnel and relatives are interested	Unsecured Loan	20.79	18.62
M/s. Sheshadri Industries Limited	Enterprise in which the Key management personnel and relatives are interested	Purchase of Raw Material	57.13	0.00
Sri B.N.AgarwalChairman	Key Management	Unsecured Loan	12.00	12.00
Sri R.K.AgarwalManaging Director	Key Management	Unsecured Loan	86.02	85.02
Mr. Rishikesh Agarwal	Son of Sri R.K. Agarwal	Unsecured Loan	2.98	2.98
c. Receivable as at 31.03.2016				
M/S. Aananda Lakshmi Spinning Mills Limited	Enterprise in which the Key management personnel and relatives are interested	Advance for purchase Raw Materail	2.41	0.00
Sheshadri Power And Infrastructure Private Limited	Enterprise in which the Key management personnel and relatives are interested	Investment	58.90	58.90
Suryavanshi Integrated Apparel Park Limited	Enterprise in which the Key management personnel and relatives are interested	Investment	2.40	0.91

31. EMPLOYEE BENEFITS:

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

The following table summarise the components of the net benefit recognized in the statement of profit and loss and amounts recognized in the balance sheet for Gratuity.

Particulars	As at 31st March, 2016		As at 31 March, 2015	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Profit and Loss account:				
Current service cost	4.62	0.46	3.94	0.14
Interest cost	5.50	0.12	4.83	0.16
Actuarial Gain / loss	6.08	3.02	2.29	(0.44)
Net benefit expense	16.20	3.60	11.06	(0.14)
Balance Sheet:				
Openingbalance of benefit obligations	68.80	1.53	60.43	2.01
Current service cost	4.62	0.46	3.94	0.14
Interest cost	5.50	0.12	4.83	0.16

Notes forming part of the financial statement as at 31st March, 2016

(Figures in ₹ Lakhs)

Particulars	As at 31st March, 2016		As at 31 March, 2015	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Actuarial Gain / loss	6.08	3.02	2.29	(0.44)
Benefits paid	(4.64)	(2.05)	(2.70)	(0.35)
Closing balance of benefit obligations	80.36	3.08	68.79	1.52
The principal assumptions used in determining the Gratuity benefits obligation for the Company's plan are as under:				
Discount rate	8%	7%	8%	8%
Attrition Rate	8%	8%	8%	8%
Further salary raise	8%	7.0%	7.5%	7.5%

32. Earning Per Share as per accounting standard No. 20 :

Net profit available for Equity Share Holders	(419.93)	29.04
Weighted average Number of Equity Shares	4908576	4908576
Basic and Diluted Earnings per Share	(8.55)	0.59

33. The information with regard to Micro, Small and Medium Enterprises has been determined to the extent such parties could be identified on the basis of the information available with the company. Accordingly, the trade payables include Rs.34.50 lakhs due to them for a period exceeding 30 days and the company has not provided any interest for the delay in payments as the company is in the process of settling the dues with the parties amicably.
34. Segment reporting is not applicable since the Company operates in single segment i.e., Textile product
35. Previous year's figures have been regrouped wherever necessary to conform to this year's classification.

36. Significant Accounting Policies

1 Accounting Convention

The financial statements are prepared under historical cost convention and on an accrual basis in accordance with the generally accepted accounting principles.

2 Fixed Assets

Fixed Assets are stated at cost net of depreciation provided in the statements. Cost of acquisition of Fixed Assets is inclusive of all direct and indirect expenditure up to the date of commercial use.

Depreciation is provided on straight line method in accordance with the useful lives prescribed in Schedule II to the companies Act, 2013.

3 Inventories

Raw material and Stores and Spares valued at cost on weighted average basis. Stock-in-process and Finished Goods are valued at lower of cost or net realisable value.

4 Borrowing Cost

Borrowing costs that are directly attributable to the acquisition of fixed assets are capitalised as part of cost of the asset till the date the asset is ready for commercial use. All other borrowing cost are charge to revenue

5 Investments

Investments are stated at cost and diminution in the value, which is permanent in nature, is provided for.

6 Contingent Liabilities And Provisions

All Contingent liabilities are indicated by way of a note and will be paid / provided on crystallisation.

7 Retirement Benefits

Provident fund contributions is charged to the Statement of Profit and Loss as and when the contributions are due. Gratuity and leave encashment provision is made as per actuarial valuation on the basis of projected unit credit method.

8 Foreign Exchange Transactions

Foreign currency transactions are recorded at the rates prevailing on the date of the transaction. Assets and liabilities arising out of foreign exchange transactions are translated at the rate of exchange ruling on the date of balance sheet. and are suitably adjusted to the appropriate revenue/ capital account.

9 Impairment Of Assets

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to statement of profit and loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting periods, is reversed if there has been a change in the estimate of recoverable amount.

10 Provision For Taxation

Provision for taxation for the year is based on tax liability computed in accordance with relevant tax rates and tax laws as at the Balance Sheet date. Provision for deferred tax is made for all timing differences arising between taxable income and accounting income at rates that have been enacted or substantively enacted as at the Balance Sheet date. Deferred tax assets are recognised only if there is a reasonable certainty that they will be realised and are reviewed for the appropriateness of their respective carrying value at each Balance Sheet date.

11 Revenue recognition

Sales represents the amount receivable for goods sold. Incentives on export sales are recognised as income on accrual basis

12 Earning Per Share

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

13 Use Of Estimates

Preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Differences between the actual results and estimates are recognised in the period in which the results are known/materialised

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

per our report of even date

For **Brahmayya & Co.**

Chartered Accountants

Firms' Registration Number: 000513S

R.K. Agarwal

Managing Director

For and on behalf of Board of Directors

B.N. Agarwal

Chairman

K.Shravan

Partner

Membership Number: 215798

B.Somasekhara Rao

Chief Financial Officer
& Company Secretary

Surender kumar Agarwal

Director

Place : Hyderabad

Date : 30th May, 2016

Cash Flow statement for the year ended 31st March, 2016

(Figures in ₹ Lakhs)

Particulars	for the year ended 31.03.2016	for the year ended 31.03.2015
A. Cash Flow From Operating Activities		
Net Profit/ (loss) before tax	(334.10)	29.04
Adjustments for:		
Finance Charges	499.34	425.93
Depreciation	173.12	173.34
Bad debts and Debit Balances Written Off	-	0.26
Excess Provision & Credit Balance Written Back	(0.22)	(0.11)
Interest Earned	(14.87)	(27.70)
Profit on Sale of Fixed Assets (net)	0.05	(1.00)
Dividend Received	(0.24)	(0.03)
Operating profit before working capital changes	323.08	570.69
Adjustments for		
(Increase)/Decrease in Inventories	(63.67)	(51.07)
(Increase)/Decrease Trade Receivables	39.02	178.48
(Increase)/Decrease Long-term loans and advances	(25.01)	59.40
(Increase)/Decrease Short-term loans and advances	10.69	(10.74)
(Increase)/Decrease Other current assets	160.03	(63.25)
Increase/(Decrease) Trade payables	210.69	(1303.79)
Increase/(Decrease) Other current liabilities	14.50	(85.33)
Increase/(Decrease) Short-term provisions	0.21	0.63
Increase/(Decrease) Long-term provisions	12.89	7.27
Cash generated from Operations	682.43	(668.67)
Direct taxes paid (Including TDS receivable)	(91.85)	(4.46)
Net Cash flow from Operating Activities (A)	590.58	(673.13)
B. Cash Flow From Investing Activities		
Acquisition of Fixed Assets (Including Capital Work in progress)	(374.99)	(99.90)
Proceeds from sale of Assets	3.20	5.92
Cost of Investments	0.00	(57.41)
Dividend Received	0.25	0.03
Interest Received	15.18	27.64
Net cash used in investing Activities (B)	(356.36)	(123.72)

Cash Flow statement (Contd...)

Particulars	for the year ended 31.03.2016	for the year ended 31.03.2015
C. Cash Flow From Financing Activities:		
Proceeds from Term loans	287.27	1325.63
Repayment of Term loans	(258.99)	(213.82)
Proceeds from working capital loans	13.48	131.67
Repayment of Vehicle loans	(9.26)	(8.35)
Proceeds from unsecured loans	3.17	95.96
Interest paid	(488.64)	(418.12)
Net Cash used in Financing Activities (C)	(452.97)	912.97
Net Increase/(Decrease) in cash and cash equivalents (A+B+C)	(218.75)	116.12
Cash/Cash Equivalents at the Beginning of the year	263.15	147.03
Cash/Cash Equivalents at the end of the year	44.40	263.15
	218.75	(116.12)

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

per our report of even date

For **Brahmayya & Co.**

Chartered Accountants

Firms' Registration Number: 000513S

R.K. Agarwal

Managing Director

For and on behalf of Board of Directors

B.N. Agarwal

Chairman

K.Shravan

Partner

Membership Number: 215798

B.Somasekhara Rao

Chief Financial Officer

& Company Secretary

Surender kumar Agarwal

Director

Place : Hyderabad

Date : 30th May, 2016

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**37th Annual General Meeting
SURYAVANSHI SPINNING MILLS LIMITED**

Registered Office: 6th Floor, Surya Towers, 105, S.P. Road, Secunderabad – 500003
Phone: 91-40-30512700, Fax: 91-40-30512725
Website: www.suryavanshi.com, Email: info@suryavanshi.com

CIN: LI4220TG1978PLC002390

PLEASE COMPLETE THE ATTENDANCE SLIP AND HAND OVER AT THE ENTRANCE OF THE MEETING HALL.

ATTENDANCE SLIP

I / We hereby record my / our presence at the **37th Annual General Meeting of the Suryavanshi Spinning Mills Ltd Friday, 30th September, 2016 at 10.00 A.M. at Gayatri Gardens, Survey No.26, Sikh Village, Near Diamond Point Hotel, Secunderabad - 500003.**

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

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

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PROXY FORM

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

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

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

- Name :
Address :
Email ID :
Signature : or failing him
- Name :
Address :
Email ID :
Signature : or failing him
- Name :
Address :
Email ID :
Signature :

as my/ our proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the **Annual General Meeting of the company, to be held on Friday, 30th September, 2016 at 10.00 A.M. at Gayatri Gardens, Survey No.26, Sikh Village, Near Diamond Point Hotel, Secunderabad – 500003** or at any adjournment thereof in respect of such resolutions as are indicated below:

Sl. No.	Particulars	FOR	AGAINST
	Ordinary Business		
1	To receive, consider and adopt the Audited Financial Statements for the financial year ended 31st March, 2016 and the Reports of the Directors and Auditors thereon		
2	To appoint a director in place of Sri Rajender Kumar Agarwal, who retires by rotation and, being eligible offers himself for re-appointment		
3	To appoint auditors and fix their remuneration		
	Special Business		
4	To ratify the remuneration of cost auditor for FY 2016-17		

Signed this _____ day of _____ 2016

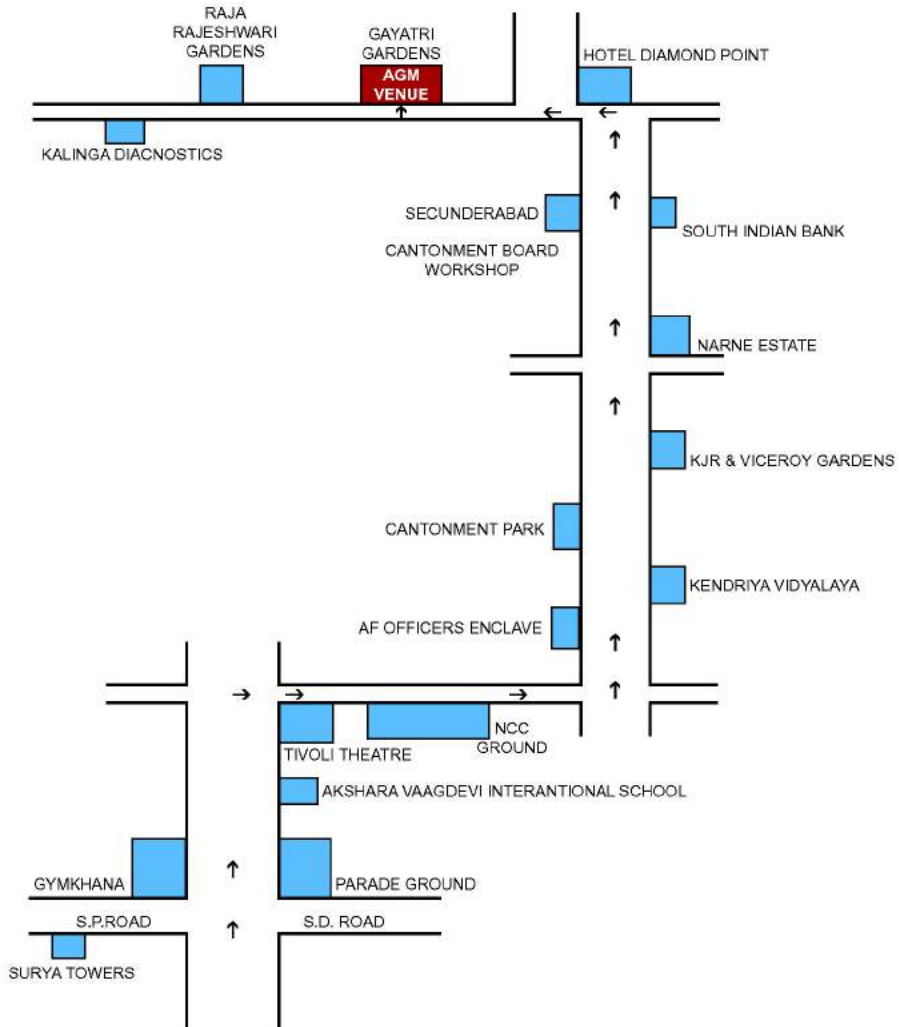
Signature of Shareholder

Signature of Proxyholder(s)



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

ROUTE MAP TO AGM VENUE



Printed Matter



If undelivered, please return to:



Surya Towers, 6th Floor, 105, S.P. Road, Secunderabad - 500 003, Telangana, India.
Phone: 91-40-30512700, Fax: 91-40-30512725
Email: info@suryavanshi.com, Website: www.suryavanshi.com
CIN: L14220TG1978PLC002390