



BOARD OF DIRECTORS

1. Sri Virender Kumar Agarwal
2. Smt. Seema Rani Agarwal
3. Sri Mayank Agarwal
4. Sri Pundlik Sampatrao Thakare
5. Sri Sanjiv A. Agrawal

Managing Director
Joint Managing Director
Whole-time Director
Director
Director

SENIOR MANAGER (ACCOUNTS)

Sri Milind Bangre

REGISTERED OFFICE

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

AUDITORS

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

REGISTRAR & TRANSFER AGENTS

M/s. Sathguru Management Consultants Pvt. Ltd.
Plot No.15, Hindi Nagar,
Panjagutta,
Hyderabad – 500 034.

BANKERS

State Bank of India
Industrial Finance Branch,
Hyderabad.

Axis Bank Limited
Civil Lines, Branch
Nagpur.

FACTORIES

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

LISTED ON

Bombay Stock Exchange Limited, Mumbai

Book Closure Dates :

20th September, 2011 to 23rd September, 2011 (Both days inclusive)

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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 circulars stating that service of notice/ documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the 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. Please refer page no. 69 of this 4th Annual Report for details.



NOTICE

Notice is hereby given that 4th Annual General Meeting of the members of **M/s. Suryaamba Spinning Mills Limited** will be held on Friday, 23rd September 2011, at 5.00 P.M. at Kamat Lingapur Hotel, 1-10-44/2, Chikoti Gardens, Begumpet, Hyderabad-500016 to transact the following business:

Ordinary Business :

1 Adoption of Accounts

To receive, consider and adopt the Audited Profit & Loss Account for the year ended 31st March 2011 and Balance Sheet as on that date and the Reports of the Directors and Auditors thereon.

2 Declaration of Dividend

To declare dividend on Equity Shares and Preference Shares of the Company for the year ended on 31st March 2011.

3 Re-appointment of Sri. Mayank Agarwal

To appoint a director in place of Sri. Mayank Agarwal who retires by rotation and being eligible offers himself for re-appointment.

4 Appointment of Statutory Auditors

To Consider and if thought fit, to pass with or without modification (s), the following resolution as an Ordinary Resolution relating to appointment of Statutory Auditors of the Company:

“**RESOLVED THAT** pursuant to Section 224 and other applicable provisions, if any, of the Companies Act, 1956, M/s S.Venkatadri & Co, Chartered Accountants, Hyderabad (Registration No. 004614s) be and are hereby appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting of the Company, at such remuneration plus service tax as applicable and reimbursement of actual out of pocket expenses as may be incurred in the performance of their

duties, as the Board of Directors may fix in this behalf”.

Special Business:

5 Re-appointment of Sri. Virender Kumar Agarwal as Managing Director of the Company and to fix his remuneration.

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

“**RESOLVED THAT** pursuant to the provisions of Sections 198, 269, 309, 310 read with Schedule XIII to the Companies Act, 1956, consent of the members of the Company be and is hereby accorded to confirm and ratify the re-appointment of Sri. Virender Kumar Agarwal as Managing Director of the Company for a period of three years with effect from 1st March, 2011 on following terms and remuneration:

Salary : 1,40,000/- per month.

Commission : At the rate of 2% of the net profits of the Company or 50% of the Annual Salary whichever is less.

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

Category A :

- Housing :** Rent free furnished residential accommodation with all facilities and amenities including such service as gas, electricity, water, etc, or HRA to the extent of 50% of the salary.
- Medical Reimbursement :** Expenses incurred for self and his family subject to a ceiling of one month's salary per year or three months salary in a period of 3 years.



3. **Leave Travel Concession :** For self and family once in a year incurred in accordance with the rules of the Company.
4. **Club Fees :** Fees of clubs subject to a maximum of two clubs, admission and life membership fees not being allowed.
5. **Personal Accident Insurance :** of an amount the premium of which not to exceed Rs. 4,000/- per month.

Category B :

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

Category C :

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

RESOLVED FURTHER THAT in the absence of or inadequacy of profits in any financial year during his tenure of office, the above remuneration will be paid as a minimum remuneration to Sri Virender Kumar Agarwal, Managing Director subject to the provisions of section II of Part II of Schedule XIII of the Companies Act, 1956.

RESOVLED FURTHER THAT the necessary forms / returns as may be prescribed in this regard signed by any one Director of the Company be filed with the Registrar of Companies, Andhra Pradesh”.

- 6 **Re-appointment of Smt. Seema Rani Agarwal as Managing Director of the Company with a designation of Joint Managing Director and to fix her remuneration.**

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

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310 read with Schedule XIII to the Companies Act, 1956, consent of the members of the Company be and is hereby accorded to re-appoint Smt. Seema Rani Agarwal as Joint Managing Director of the Company for a period of three years with effect from 1st October, 2011 on following terms and remuneration:

Salary : 1,20,000/- per month.

Commission : At the rate of 2% of the net profits of the Company or 40% of the Annual Salary whichever is less.

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

Category A :

1. **Housing :** Rent free furnished residential accommodation with all facilities and amenities including such service as gas, electricity, water, etc, or HRA to the extent of 40 % of the salary.
2. **Medical Reimbursement :** Expenses incurred for self and his family subject to a ceiling of one month's salary per year or three months salary in a period of 3 years.
3. **Leave Travel Concession :** For self and family once in a year incurred in accordance with the rules of the Company.



4. **Club Fees** : Fees of clubs subject to a maximum of two clubs, admission and life membership fees not being allowed.
5. **Personal Accident Insurance**: of an amount the premium of which not to exceed Rs. 4,000/- per month.

Category B :

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

Category C :

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

RESOLVED FURTHER THAT in the absence of or inadequacy of profits in any financial year during his tenure of office, the above remuneration will be paid as a minimum remuneration to Smt. Seema Rani Agarwal, Joint Managing Director subject to the provisions of section II of Part II of Schedule XIII of the Companies Act, 1956.

RESOVLED FURTHER THAT the necessary forms / returns as may be prescribed in this regard signed by any one Director of the Company be filed with the Registrar of Companies, Andhra Pradesh".

- 7 **Revision of the remuneration of Sri. Mayank Agarwal, Whole Time Director of the Company.**

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

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310 read with Schedule XIII to the Companies Act, 1956, consent of the members of the Company be and is hereby accorded to revise the remuneration of Sri. Mayank Agarwal, Whole Time Director of the Company for a period of three years with effect from 1st October, 2011 on the following terms and remuneration:

Salary : 95, 000/- per month.

Commission : At the rate of 2% of the net profits of the Company or 40% of the Annual Salary whichever is less.

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

Category A :

1. **Housing** : Rent free furnished residential accommodation with all facilities and amenities including such service as gas, electricity, water, etc, or HRA to the extent of 40% of the salary.
2. **Medical Reimbursement** : Expenses incurred for self and his family subject to a ceiling of one month's salary per year or three months salary in a period of 3 years.
3. **Leave Travel Concession** : For self and family once in a year incurred in accordance with the rules of the Company.
4. **Club Fees** : Fees of clubs subject to a maximum of two clubs, admission and life membership fees not being allowed.
5. **Personal Accident Insurance** : of an amount the premium of which not to exceed Rs. 4,000/- per month.



Category B :

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

Category C :

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

RESOLVED FURTHER THAT in the absence of or inadequacy of profits in any financial year during his tenure of office, the above remuneration will be paid as a minimum remuneration to Sri. Mayank Agarwal, Whole Time Director subject to the provisions of section II of Part II of Schedule XIII of the Companies Act, 1956.

RESOVLED FURTHER THAT the necessary forms / returns as may be prescribed in this regard signed by any one Director of the Company be filed with the Registrar of Companies, Andhra Pradesh.

8 Increasing the Authorised Capital of the Company

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

“RESOLVED THAT pursuant to the provisions of Sections 16 & 94 and other applicable provisions, if any, of the Companies Act, 1956, the Authorized Share Capital of the Company be and is hereby increased from Rs. 13,00,00,000/- (Rupees Thirteen Crores Only) to Rs. 20,00,00,000/- (Rupees Twenty Crores only)

by increasing 7,00,000 (Seven Lakh only) Preference Shares of Rs. 100 each to the Authorised Share Capital of the Company.

RESOLVED FURTHER THAT the Clauses V of the Memorandum of Association of the Company be and is hereby altered by substituting the following new Clause V in place of existing Clause thereof:

“V. The authorized share capital of the Company is Rs. 20,00,00,000/- (Rupees Twenty Crores only) divided into 50,00,000 Equity Shares of Rs.10/- each and 15,00,000 Preference Shares of Rs.100/- each, whether Cumulative Redeemable, Non-cumulative Redeemable, with a power to increase, reduce, subdivide, consolidate, convert in to equity shares in accordance with the provisions of the law from time to time.”

9 Alteration of Articles of Association of the Company

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

“RESOLVED THAT pursuant to the provisions of Section 31 of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof, for the time being in force) the Articles of Association of the Company be and is hereby altered by substituting the following new Article place of the existing Article 3 (a) (i) thereof:

“3 (a) (i) The authorized share capital of the Company is Rs. 20,00,00,000/- (Rupees Twenty Crores only) divided into 50,00,000 Equity Shares of Rs.10/- each and 15,00,000 Preference Shares of Rs.100/- each, whether Cumulative Redeemable, Non-cumulative Redeemable, with a power to increase, reduce, subdivide, consolidate, convert in to equity shares in accordance with the provisions of the law from time to time.



10. Further issue of Preference Shares of the Company

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

“RESOLVED THAT pursuant to the provisions of Section 80, 81, 81(1A) and all other provisions, if any, of the Companies Act, 1956, and the enabling provisions of the Memorandum and Articles of the Association of the Company and the Listing agreement entered into by the Company with the Stock exchange where the Securities of the Company are listed and subject, wherever required, to any other approval of Financial Institutions, appropriate authorities, consent of the members be and is hereby accorded to the Board of Directors of the Company to issue Redeemable Preference Shares of Rs. 100/- each, Cumulative or Non-cumulative either at par or at premium and in such numbers as the Board may decide from time to time for a sum not exceeding Rs. 7 Crores (Rupees Seven Crores only), in one or more, tranches, and to offer such shares on a private placement basis to Financial Institutions, Banks, Mutual Funds, Bodies Corporate, Individuals, promoter (s) or to any other person (s) as the Board may deem fit whether they are holders of Equity / Preference Shares of the Company or not and on

such terms and conditions including the rate of dividend, period of redemption, etc., as the Board may in its absolute discretion decided, in the best interest of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to agree and to make such modification (s) and alteration (s) from time to time as it deems fit and to take all such steps as it may deem necessary, desirable or expedient and to resolve all questions of doubts and to do all acts, deeds and things in connection therewith and incidental thereto as the Board in its absolute discretion shall deem fit without being required to seek any fresh approval of the members of the Company and the decision of the Board shall be final and conclusive.”

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

**Place: Nagpur
Date: 22-08-2011**

**Virender Kumar Agarwal
Managing Director**



NOTES:

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and on a poll to vote instead of himself. Such proxy need not be a member. The instrument appointing a proxy should however be deposited at the registered office of the Company not Less Than 48 Hours before the Meeting.
2. An explanatory statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of business set out under item no.5 to 10 is annexed.
3. The Registers of Members and Share transfer books will remain closed from 20th September, 2011 to 23rd September, 2011 (Both Days Inclusive) for the purpose of Annual General Meeting.
4. Members are requested to notify immediately any change of address to their depository participants in respect of their holding in Electronic Form and to M/s Sathguru Management Consultant (P) Ltd. Unit Suryaamba Spinning Mills Ltd. in respect of their Physical Folio, if any.
5. Members desiring any further information as regards the Accounts or Operations of the Company are requested to write to the Company so as to reach at least one week prior to the date of Meeting for consideration of the management to deal at the meeting.
6. Corporate Members intending to send their authorised representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
7. Pursuant to the requirement of the Listing Agreement of the Stock Exchange on Corporate Governance, relating to appointment of the Directors / reappointment of the retiring Directors, a statement containing the required details of the concerned Directors forms part of the Report on Corporate Governance.
8. In terms of circulars issued by Securities and Exchange Board of India (SEBI), it is now mandatory to furnish a copy of PAN card to the Company or its RTA in the following cases viz. Transfer of shares, Deletion of name, Transmission of shares and Transposition of shares. Shareholders are requested to furnish copy of PAN card for all the above mentioned transactions.
9. Members are requested to bring their copy of annual report to the Annual General Meeting.



**Explanatory Statement
(Pursuant to Section 173(2) of the Companies Act, 1956)**

Item No.5 :

The tenure of the office of Director of Sri. Virender Kumar Agarwal, Managing Director of the Company has expired on 28th February, 2011. In respect to this, Board has proposed to re-appoint him subject to approval of members in their meeting held on 27th January, 2011 for a further period of 3 Years with effect from 1st March, 2011 on the terms and conditions contained in the resolution. As per clause 49 of the Listing Agreement, the brief profile of Sri. Virender Kumar Agarwal, is stated below:

Name	:	Sri Virender Kumar Agarwal
Age	:	44 years
Qualification	:	BE Textiles
Expertise	:	Sri Virender Kumar Agarwal is having the vast expertise of 22 years in the textile Industry. He is having hands of exposure on the Maintenance, Production, Quality Assurance an Marketing sectors.
Other Directorships	:	Nil
Shareholding in the Company	:	8,91,191 Equity shares of the Company.

The re-appointment of Sri Virender Kumar Agarwal as the Managing Director requires the approval of members in general meeting pursuant to Section 269, 311 read with Schedule XIII to the Companies Act, 1956.

Additional Disclosure about the appointee as per Schedule XIII Part II of the Companies Act, 1956 :

1. Nature of industry

Suryaamba Spinning Mills Limited is one of the developing Company in the industry. Company is basically into the manufacturing of Synthetic blended yarns of Polyester/Viscose. Currently Company has one ISO certified manufacturing unit with a total capacity of 31,104 spindles. Indian textile Industry is one of the leading textile industries in the world. Textile sector in India accounts for around 8 per cent of GDP, contributes 14 per cent of the value addition in the manufacturing sector and more than 30 per cent of the export earnings of the country.

2. Date of commencement of commercial production

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

3. Financial performance :

Performance of the Company for the last three years are as follows:

Item	(Rs. in Lakhs)		
	2009-10 (12 months ended on 31 st March, 2010)	2008-09 (12 months ended on 31 st March, 2009)	2007-08 (9 months ended on 31 st March, 2008)
Income from Operations (Gross)	8556.94	8649.62	6214.66
Profit/Loss Before Interest, Depreciation & tax	486.78	456.44	294.65
Profit /Loss after Tax	27.41	12.20	8.76

**4. Export performance and net foreign exchange earnings**

Export performance of the Company for the last three years is as follows:

(Rs. in Lakhs)

Item	2009-10	2008-09	2007-08
FOB value of goods exported	Nil	Nil	Nil

5. Foreign investments or collaborators, if any.

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

II. Information about the appointee:**1. Background details**

Sri Virender Kumar Agarwal has done a Degree of BE in Textiles. He is from the family with over six decades of experience in textile business. He has been associated with the Company since its inception. He is having vast experience in Textile Industry for the past 22 years. He is the promoter director of the Company. He was appointed as the Managing Director of the Company with effect from 28th February, 2008 for a period of 3 years.

2. Past remuneration

Presently he is drawing the following remuneration:

(Amount in Rs.)

Salary	Perquisites	Commission	Contribution to PF	Total
1,140,000	760,000	570,000	1,36,800	26,06,800

3. Recognition or awards

Sri. Virender Kumar Agarwal has got various awards such as Udyog Ratan Award presented by Institute of Economic studies, Indira Gandhi Sadbhawana Award, Rajiv Gandhi Shiromani Award presented by Global Economic Council.

4. Job profile and his suitability

Sri Virender Kumar Agarwal, Managing Director has been taking care of Maintenance, Production, Quality Assurance and marketing sector of the Company. Since his tenure as Managing Director, he has steered the Company with total dedication, hard work and effective leadership into diversified activities, resulting in the profitable growth of the Company's operations. During the period of slowdown of the Textile industry, Suryaamba Spinning Mills Limited always kept its spirit high both in words and in action due to the untiring efforts of Sri. Virender Kumar Agarwal.

5. Remuneration proposed :

He is proposed to pay the remuneration as decided by the Board of Directors.

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

Compared to the remuneration profile of position and person with respect to this Industry and size, he is entitled to the above remuneration.



7. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any :

Except Smt. Seema Rani Agarwal, Joint Managing Director, Sri Mayank Agarwal, Executive Director of the Company and Sri Virender Kumar Agarwal himself, none of the others have any pecuniary relationship directly or indirectly with the Company.

III. Other information :

1. Reasons for inadequate profits

The Company has significantly expanded its Textile business and the Segment has normally a long gestation period. Textile Sector is going through tough competition and has pruned gross margins due to unhealthy competition.

2. Steps taken or proposed to be taken for improvement

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

3. Expected increase in productivity and profits in measurable terms.

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

Board of Directors recommends the resolution for your approval.

None of the Directors of the Company except Sri Virender Kumar Agarwal, Managing Director himself, Sri. Mayank Agarwal, Executive Director and Smt. Seema Rani Agarwal, Joint Managing Director being his relatives are interested in the said resolution.

Details stated above and as contained in resolutions under Item No.5 may be regarded as an abstract of the Memorandum of Interest under Section 302 of the Companies Act, 1956 and that pursuant to the provisions of Section 309 of the Companies Act, 1956, the terms of the appointment specified in the resolution is placed before the members for their approval.

The Explanatory Statement together with the accompanying notice may be treated as an abstract of terms of appointment pursuant to Section 302 of the Companies Act, 1956.

Item No. 6 :

The existing tenure of Smt. Seema Rani Agarwal, Joint Managing Director expires on 31st December, 2011. Board has proposed to re-appoint her in their meeting held on 27th January, 2011 for a further period of 3 Years with effect from 1st October, 2011 on the terms and conditions contained in the resolution. As per clause 49 of the Listing Agreement, the brief profile of Smt. Seema Rani Agarwal, is stated below:

Name	:	Smt. Seema Rani Agarwal
Age	:	43 years
Qualification	:	Bachelor of Arts
Expertise	:	Smt. Seema Rani Agarwal is having the experience of 10 years in the textile Industry. She has having hands on managing the external affairs of the Company.
Other Directorships	:	Nil
Shareholding in the Company	:	4,27,250 Equity shares of the Company.



SURYAAMBA SPINNING MILLS LIMITED

The re-appointment of Smt. Seema Rani Agarwal as the Joint Managing Director of the Company, requires the approval of members in general meeting pursuant to Section 269, 311 read with Schedule XIII to the Companies Act, 1956.

Additional Disclosure about the appointee as per Schedule XIII Part II of the Companies Act, 1956:

1. Nature of industry

Suryaamba Spinning Mills Limited is one of the developing Company in the industry. Company is basically into the manufacturing of Synthetic blended yarns of Polyester/Viscose. Currently Company has one ISO certified manufacturing unit with a total capacity of 31,104 spindles. Indian textile Industry is one of the leading textile industries in the world. Textile sector in India accounts for around 8 per cent of GDP, contributes 14 per cent of the value addition in the manufacturing sector and more than 30 per cent of the export earnings of the country.

2. Date of commencement of commercial production

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

3. Financial performance :

Performance of the Company for the last three years are as follows:

Item	(Rs. in Lakhs)		
	2009-10 (12 months ended on 31 st March, 2010)	2008-09 (12 months ended on 31 st March, 2009)	2007-08 (9 months ended on 31 st March, 2008)
Income from Operations (Gross)	8556.94	8649.62	6214.66
Profit/Loss Before Interest, Depreciation & tax	486.78	456.44	294.65
Profit /Loss after Tax	27.41	12.20	8.76

4. Export performance and net foreign exchange earnings

Export performance of the Company for the last three years is as follows:

Item	(Rs. in Lakhs)		
	2009-10	2008-09	2007-08
FOB value of goods exported	Nil	Nil	Nil

5. Foreign investments or collaborators, if any.

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

II. Information about the appointee:

1. Background details

Smt. Seema Rani Agarwal has done a Degree in Bachelor of Arts. She has been associated with the Company since its inception. She is having vast experience in Textile Industry for the past 10 years. She is the promoter director of the Company. She was appointed as the Joint Managing Director of the Company in the General Meeting of the Company held on 14th September, 2009 with effect from 1st January, 2009 for a period of 3 years.



2. Past remuneration

Presently he is drawing the following remuneration:

(Amount in Rs.)

Salary	Perquisites	Commission	Contribution to PF	Total
9,60,000	5,44,000	384,000	1,15,200	2,003,200

3. Recognition or awards

Nil

4. Job profile and her suitability

Smt. Seema Rani Agarwal, Joint Managing Director has been taking care of administration and other external affairs of the Company. Since her tenure as the Joint Managing Director, she has steered the Company with total dedication and hard work resulting in the profitable growth of the Company's operations. During the period of slowdown of the Textile industry, Smt. Seema Rani Agarwal has made the untiring efforts to motivate and keep the spirit of stakeholders at high level.

5. Remuneration proposed:

She is proposed to pay the remuneration as decided by the Board of Directors.

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

Compared to the remuneration profile of position and person with respect to this Industry and size, she is entitled to the above remuneration.

7. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:

Except Sri. Virender Kumar Agarwal, Managing Director, Sri Mayank Agarwal, Executive Director of the Company and Smt. Seema Rani Agarwal herself, none of the others have any pecuniary relationship directly or indirectly with the Company.

III. Other information:

1. Reasons for inadequate profits

The Company has significantly expanded its Textile business and the Segment has normally a long gestation period. Textile Sector is going through tough competition and has pruned gross margins due to unhealthy competition.

2. Steps taken or proposed to be taken for improvement

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

3. Expected increase in productivity and profits in measurable terms.

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

Board of Directors recommends the resolution for your approval.

None of the Directors of the Company except Smt. Seema Rani Agarwal, Joint Managing Director herself, Sri Virender Kumar Agarwal, Managing Director and Sri. Mayank Agarwal, Executive Director being her relatives are interested in the said resolution.



SURYAAMBA SPINNING MILLS LIMITED

Details stated above and as contained in resolutions under Item No.6 may be regarded as an abstract of the Memorandum of Interest under Section 302 of the Companies Act, 1956 and that pursuant to the provisions of Section 309 of the Companies Act, 1956, the terms of the appointment specified in the resolution is placed before the members for their approval.

The Explanatory Statement together with the accompanying notice may be treated as an abstract of terms of appointment pursuant to Section 302 of the Companies Act, 1956.

Item No.7 :

Sri Mayank Agarwal is the whole Time Director of the Company. He is a young and energetic person with lots of dedication and hard work towards his work. In the past years, he has done a tremendously appreciable job through his skills and great working style. He has highly contributed in the growth of the Company.

Due to the excellent performance of Sri Mayank Agarwal, it is proposed to revise his remuneration for the period of three years with effect from 1st October, 2011 on the terms and conditions contained in the resolution. As per clause 49 of the Listing Agreement, the brief profile of Sri. Mayank Agarwal, is stated below:

Name	:	Sri Mayank Agarwal
Age	:	21 years
Qualification	:	Bachelor of Industrial Engineering
Expertise	:	Sri Mayank Agarwal is a young talent who is having a good academic career and great zeal to learn. He is making efforts to increase the profitability of the Company through his marketing skills.
Other Directorships	:	Nil
Shareholding in the Company	:	27,600 Equity shares of the Company.

Additional Disclosure about the appointee as per Schedule XIII Part II of the Companies Act, 1956 :

6. Nature of industry

Suryaamba Spinning Mills Limited is one of the developing Company in the industry. Company is basically into the manufacturing of Synthetic blended yarns of Polyester/Viscose. Currently Company has one ISO certified manufacturing unit with a total capacity of 31,104 spindles. Indian textile Industry is one of the leading textile industries in the world. Textile sector in India accounts for around 8 per cent of GDP, contributes 14 per cent of the value addition in the manufacturing sector and more than 30 per cent of the export earnings of the country.

7. Date of commencement of commercial production

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

3. Financial performance :

Performance of the Company for the last three years are as follows:

Item	(Rs. in Lakhs)		
	2009-10 (12 months ended on 31 st March, 2010)	2008-09 (12 months ended on 31 st March, 2009)	2007-08 (9 months ended on 31 st March, 2008)
Income from Operations (Gross)	8556.94	8649.62	6214.66
Profit/Loss Before Interest, Depreciation & tax	486.78	456.44	294.65
Profit /Loss after Tax	27.41	12.20	8.76



4. Export performance and net foreign exchange earnings

Export performance of the Company for the last three years is as follows:

(Rs. in Lakhs)

Item	2009-10	2008-09	2007-08
FOB value of goods exported	Nil	Nil	Nil

5. Foreign investments or collaborators, if any.

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

II. Information about the appointee:

1. Background details

Sri. Mayank Agarwal is having a Degree in Industrial Engineering. He is from the family with over six decades of experience in textile business. He has been associated with the Company from 1st August, 2009. He is a new and young talent who will probably give new heights to the growth of the Company.

2. Past remuneration

Presently he is drawing the following remuneration:

(Amount in Rs.)

Salary	Perquisites	Commission	Contribution to PF	Total
7,71,600	437,240	308,640	92,592	1,610,072

3. Recognition or awards

Nil

4. Job profile and his suitability

Sri Mayank Agarwal, Executive Director has been taking care of the marketing sector of the Company. Since his tenure as Whole Time Director, he has steered the Company with total dedication, hard work and effective leadership into diversified activities, resulting in the profitable growth of the Company's operations.

5. Remuneration proposed :

He is proposed to pay the remuneration as decided by the Board of Directors.

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

Compared to the remuneration profile of position and person with respect to this Industry and size, he is entitled to the above remuneration.

7. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:

Except Smt. Seema Rani Agarwal, Joint Managing Director, Sri Virender Kumar Agarwal, Managing Director of the Company and Sri Mayank Agarwal, Executive Director himself, none of the others have any pecuniary relationship directly or indirectly with the Company.



III. Other information:

4. Reasons for inadequate profits

The Company has significantly expanded its Textile business and the Segment has normally a long gestation period. Textile Sector is going through tough competition and has pruned gross margins due to unhealthy competition.

5. Steps taken or proposed to be taken for improvement

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

6. Expected increase in productivity and profits in measurable terms.

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

Board of Directors recommends the resolution for your approval.

None of the Directors of the Company except Sri Mayank Agarwal, Wholetime Director himself, Sri Virender Kumar Agarwal, Managing Director and Smt. Seema Rani Agarwal, Joint Managing Director being his relatives are interested in the said resolution.

Details stated above and as contained in resolutions under Item No.7 may be regarded as an abstract of the Memorandum of Interest under Section 302 of the Companies Act, 1956 and that pursuant to the provisions of Section 309 of the Companies Act, 1956, the terms of the appointment specified in the resolution is placed before the members for their approval.

The Explanatory Statement together with the accompanying notice may be treated as an abstract of terms of appointment pursuant to Section 302 of the Companies Act, 1956.

Item No.8 & 9 :

The Company, in order to meet its growth plan in the form of expansion and modernization and to meet other business requirements such as working capital, repayment of debt building capacities for existing lines of businesses, to strengthen its financial position, is required to generate long term resources by issuing securities. The Board of Directors have considered it necessary and desirable to increase the Authorised Capital of the Company as provided in the proposed resolution so that there will be scope for raising finance for the requirements of the Company by the issue of further Capital if and when considered necessary. Thus, the board has proposed to increase the authorised Capital to Rs. 20 Crores consisting of 50,00,000 Equity Shares of Rs. 10/- each and 15,00,000 Cumulative Redeemable Preference Shares of Rs.100. Increase of Authorised share capital of the Company requires the approval of members pursuant to Section 16 read with Section 94 and pursuant to Section 31 of the Companies Act, 1956.

Board of Directors recommends the resolution for approval of members.

None of the Directors of the Company is, in any way concerned or interested in the above resolution except to the extent to which they may participate in the expanded capital.



Item No.10

To accomplish the Company's proposed expansion plan, it is proposed to issue further capital of the Company to the Promoters and their Associates from time to time for a sum not exceeding Rs. 7 Crores (Rupees Seven Crores only) by issue of Redeemable Preference Shares through Private Placement basis. In terms of Section 81 of the Companies Act, 1956, when the Company proposes to increase the issued capital of the Company by allotment of further securities, such further securities shall be first offered to the existing shareholders of the Company in the manner laid down in Section 81 unless the shareholders in a General Meeting decide otherwise. As the Preference Shares are proposed to be offered and issued on a preferential / private placement basis, approval of members in general meeting by way of Special Resolution is required.

The Board of Directors recommends the resolution for your approval in the best interest of the Company.

None of the Directors is in any way concerned or interested in the above resolution except to the extent of shares that may be allotted to them.

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

**Place: Nagpur
Date: 22-08-2011**

**Virender Kumar Agarwal
(Managing Director)**

**DIRECTORS REPORT**

To,

The Members,

Your Directors have pleasure in presenting their 4th Annual Report on the business and operations together with Audited Annual accounts of your Company for the Financial year ended 31st March 2011.

Financial Results

(Rs. In Lakhs)

Sl.No.	Particulars	2010-11	2009-10
1	Sales and other Income	12037.48	8556.94
2	Profit Before interest and Depreciation	1142.34	486.77
3	Interest and Finance Charges	261.94	208.31
4	Depreciation	202.62	182.51
5	Profit after Interest and Depreciation	677.78	95.95
	Provision for Taxation: -		
6	(a) Current Tax	187.00	58.00
7	(b) Deferred Tax	30.91	10.55
8	Balance of Profit (or Loss)	459.87	27.41
	Appropriations		
9	Transfer to General Reserve	0.50	0.50
10	Dividend on Equity Share	22.28	16.71
11	Dividend on Preference Share	1.51	1.76
12	Dividend Tax	3.95	3.06
13	Preference Share Redemption Reserve	3.76	10.00
14	Surplus carried over to Balance Sheet	603.13	175.26

Operations :

During the year, your company has achieved a Total turnover of Rs. 1,203,7.48 Lakhs (Rs. 8,556.94 Lakhs in the previous year) registering a very good growth of 40.68% over the previous year. The Company has earned a Profit Before Tax of Rs. 677.78 Lakhs for 2010-11 (Rs. 95.95 Lakhs in the previous year). During the year textile industry has performed very well after coming out of recession.

Exports

The export turnover (through merchant export) of your Company during the year was Nil . During the year, the Company did not export its finished product, as the Company was able to do good sales realization in the domestic market itself.



Future Outlook

The economy is in the stage of prosperity and the Company expects good demand for its products in domestic as well as international markets. Major markets for Indian Textile and Clothing (T & C) export are the USA and EU and they have recovered from the recession of the past years. The domestic market is also on the path of healthy growth because of the fact that few manufacturing facilities operating abroad are slowing down due to recession. The home-textiles and garment segments are reflecting sound growth both in the domestic and international markets due to good demand of apparels. There is a substantial scope for further growth in these segments. Your Company believes that the competition in the emerging markets will be met by developing production systems based on cost efficiency, high productivity, quality assurance, etc.

Expansion Plan

The Company is implementing expansion plan by addition of 12,096 Spindles adjacent to the existing plant premises at an estimated cost of Rs. 35 Crores. This will bring about further economy in production cost as well as substantial tax savings in future.

In fact, The Company has already started commercial production with 3024 spindles and is hoping to start entire production of 12096 spindles by the end of October this year.

Deposits

There were no overdue deposits as on 31st March 2011.

Dividend :

Your Directors have recommended payment of dividend on Cumulative Redeemable Preference Shares as per the terms and conditions of the issue. The dividend will absorb a sum of Rs.1,50,844/-

Your Directors are also pleased to recommend a dividend of 10 % on the Equity Share capital of the Company for the Financial Year ended 31st March 2011. The dividend will absorb a sum of Rs. 22,28,000/-.

The Corporate dividend tax levied will be Rs.3,95,096/-.

Transfer to Reserves :

Your Company proposes to transfer Rs.0.50 Lakhs (Previous Year Rs.0.50 Lakhs) to General Reserve Account and Rs. 3.76 Lakhs (Previous Year Rs.10.00 Lakhs) to Preference Share Redemption Reserve Account of the Company for the year.

Capital Expenditure

During the year under review, your company has incurred Rs. 2582.83 Lakhs (Previous Year Rs.260.18 Lakhs) towards capital expenditure (including capital work-in-progress)

Directors

Sri. Mayank Agarwal Director of the Company retires, by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. Board of Directors recommends his re-appointment.

The board of Directors has been duly reconstituted by the resignation of Sri Ravinder Kumar Agarwal, with effect from 27th March, 2011, Sri R. Surender Reddy, with effect from 8th April, 2011 and Sri Vithaldas Agarwal with effect from 9th May, 2011.

Directors Responsibility Statement

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

1. In the preparation of annual accounts for the year ended 31st March 2011, the applicable accounting standards have been followed and there has been no material departure.



2. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year ended on 31st March, 2011 and of the profit for the year under review;

3. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities; and

4. The Directors have prepared the accounts for the financial year ended on 31st March 2011 on a going concern basis.

Corporate Social Responsibility :

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

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

Auditors

The Board, on the recommendation of the Audit Committee, has proposed that M/s S. Venkatadri & Co. Chartered Accountants, Hyderabad be appointed as Statutory Auditors of the Company to hold office from the conclusion of the ensuing 4th Annual General Meeting till the conclusion of

the next Annual General Meeting of the Company. M/s S. Venkatadri & Co. Chartered Accountants, Hyderabad has forwarded their certificate to the Company, stating that their appointment, if made, will be within the limit specified in that behalf in Sub - section (1B) of Section 224 of the Companies Act 1956.

Resolution seeking your approval on this item is included in the Notice of the ensuing Annual General Meeting.

Auditors Qualification:

No Qualification was made by the Auditor in their report on the accounts for the period ended 31st March 2011.

Cost Auditor

In pursuance of Section 233-B of the Companies Act, 1956, your Directors have appointed M/s. G.R. Paliwal & Co., Nagpur, as the Cost Auditor for the financial year 2011-12, subject to the approval of Central Government.

Corporate Governance:

Management Discussion Analysis Report and Corporate Governance report as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange are attached to this Report and forms part of this report.

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

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

Compliance Certificate

The Compliance Certificate for the period 1st April, 2010 to 31st March, 2011, has been obtained from M/s. R & A Associates, Company Secretaries, Hyderabad, as per Section 383A of the Companies Act, 1956, and the same is attached herewith.



Employees

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

Acknowledgment

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

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

Virender Kumar Agarwal Seema Rani Agarwal
Managing Director Jt. Managing Director

Place : Nagpur
Date : 22.08.2011



**Annexure -1
Annexure to Directors Report**

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

A) Conservation of Energy

- a) Energy conservation measures taken

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

- b) The above measures have reflected in reduction of energy consumption during the year.
c) Further in our proposed expansion while selection of Machinery and utilities we are taking maximum care in modern technology and reduction of energy.

FORM - A

Form for Disclosure of particulars with respect to Conservation of Energy:

(Rs. In Lakhs)

Sr. No.	Particulars	2010-11	2009-10
A	Power and Fuel Consumption		
1)	Electricity		
a)	Purchased Unit	17439260	15579330
	Total Amount (Rs. In Lakhs)	773.38	629.71
	Average Rate: (Rs./Unit)	4.43	4.04
b)	Own Generation:		
	Through Diesel Generators	Nil	Nil
	Units (In Lakhs of KWH)	Nil	Nil
	Units per liter of diesel oil	Nil	Nil
2)	Coal (Rs. In Lakhs)	Not Used	Not Used
3)	Furnace Oil	Not Used	Not Used
4)	Others	Not Used	Not Used
B	Consumption per Unit of Production		
	Electricity (Units /kg of yarn)	1.87	1.79
	Coal	Not Used	Not Used
	Furnace Oil	Not Used	Not Used
	Others	Not Used	Not Used



B) Technology absorption :

Efforts made in technology absorption as per form B

FORM B

Form for disclosure of particulars with respect to absorption

Research & Development (R&D)

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

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

1	Specific Areas in which R&D carried out by company	:	The company is having good R& D introduction and development of value added products.
2	Benefits derived as a result of the above R&D	:	High quality products have been developed, due to which the demand for the products of the company has considerably gone up.
3	Future Plans of Action	:	To develop more value added products and improve further quality of the products.
4	Expenditure on R&D	:	Expenditure on in-house R&D has been shown under respective heads of expenditure in the Profit & Loss Accounts as no separate account is maintained.

Technology Absorption adaptation and innovation :

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



SURYAAMBA SPINNING MILLS LIMITED

Foreign Exchange Earning & Outgo:

a)	Activities relating to exports, initiatives taken to increase exports, development of new exports markets for production and services and export plans	:	Export explorations activities mainly include development of export to new markets and increasing exports to traditional markets
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Total foreign exchange used & earned

(Rs. in Lakhs)

		2010-11	2009-10
(i)	Foreign Exchange earned	Nil	Nil
	FOB value of exports	Nil	Nil
(ii)	Foreign Exchange used	Nil	Nil
	Import of capital goods	451.13	Nil
	Foreign travel	Nil	Nil
	Commission on export sales	Nil	Nil
	Raw Materials	Nil	Nil
	Spares	17.92	16.25

For and on behalf of the Board of Directors
For Suryaamba spinning Mills Ltd.

Place: Nagpur
Date: 22-08-2011

Virender Kumar Agarwal Seema Rani Agarwal
Managing Director Jt. Managing Director

Compliance Certificate

To
The Members,
M/s. Suryaamba Spinning Mills Limited,
105, S P Road, Secunderabad – 500 003
Andhra Pradesh.

We have examined the registers, records, books and papers of *M/s. Suryaamba Spinning Mills Limited* (“the Company”) as required to be maintained under the Companies Act, 1956 (“the Act”) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on **31st March, 2011** (i.e. 1st April, 2010 to 31st March, 2011). In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all the registers as stated in **Annexure ‘A’** to this Certificate, as per the provisions and the rules made there under and all entries therein have been duly recorded.
2. The Company has filed the forms and returns as stated in **Annexure ‘B’** to this Certificate, with the Registrar of Companies, Andhra Pradesh as required under the Act and rules made there under.
3. The Company is a Public Limited Company.
4. The Board of Directors duly met six (6) times respectively on 14th May, 2010, 2nd August, 2010, 28th August, 2010, 15th October, 2010, 27th January, 2011 and 11th March, 2011 in respect of which meetings proper notices were given, the proceedings were properly recorded and signed including the Circular Resolutions passed in the Minutes Book maintained for the purpose.
5. The Company closed its Register of Members from 20th September, 2010 to 23rd September, 2010 and necessary compliance of Section 154 of the Act has been made.
6. The Annual General Meeting for the financial year ended on 31st March, 2010 was held on 23rd September, 2010 after giving due notice to the members of the company and other concerned and the resolution passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extra-ordinary General Meeting was held during the financial year.
8. The Company has not advanced any loans to its directors or persons or firms or Companies referred to under Section 295 of the Act.
9. The Company has not entered into any contracts falling within the purview of Section 297 of the Act.
10. The Company has made necessary entries in the register maintained under Section 301 of the Act.
11. As there are no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, Members or Central Government.
12. The Company has issued duplicate share certificates during the financial year.
13. The Company has:
 - i) delivered all the certificates on allotment of securities and on lodgment thereof for transfer in accordance with the provisions of the Act.
 - ii) deposited the amount of Dividends, both Equity and Preference declared, in separate Bank Account's within five days from the date of declaration of said dividends.
 - iii) paid / posted warrants for dividend(s) to all the members within a period of 30 (Thirty) days from the date of declaration and all unclaimed / unpaid dividend(s) has been retained in the said A/c's as the said accounts were opened for Dividend payment as well as for unpaid / unclaimed Dividend A/c.

- iv) there was no amount in the unpaid or unclaimed dividend account which remained unpaid or unclaimed for a period of more than seven years to be transferred to Investor Education and Protection Fund.
 - v) complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. There was no appointment of additional Directors, Alternate Directors and directors to fill casual vacancy during the financial year.
 15. The re-appointment of Managing Director been made in compliance with the provisions of Section 269 read with Schedule XIII to the Act, however the Company has not filed the necessary forms with the Registrar of Companies as on 31st March, 2011.
 16. The Company has not appointed any sole-selling agents during the financial year.
 17. The Company has obtained approvals from Central Government for appointment of Cost Auditors. No approval from Company Law Board, Regional Director and Registrar of Companies during the financial year has been obtained by the Company.
 18. The Directors have disclosed their interest in other firms / companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
 19. The Company has allotted 5,50,000 Preference Shares of Rs. 100 each on 1st October, 2010. *Thereafter, Board of Directors in their meeting held on 27th January, 2011 has noted that this allotment was ultra-virus and void as the amount of allotment has not been received in full.*
 20. The Company has not bought back any shares during the financial year.
 21. The Company has redeemed 4,715 preference shares of Rs. 100 each during the financial year after complying with the provisions of the Act except the Company is yet to file the necessary return with the Registrar of Companies.
 22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
 23. The Company has not invited / accepted any deposits including any unsecured loans falling within the purview of Section 58A during the financial year.
 24. The amount borrowed by the company from financial institutions and banks during the financial year ending 31st March, 2011 is within the borrowing limits of the Company.
 25. The company has not made loans and advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose.
 26. The Company has not altered the provisions of the Memorandum with respect to situation of Company's Registered Office from one state to another.
 27. The Company has not altered the provisions of the Memorandum with respect to objects of the Company during the year under scrutiny.
 28. The Company has not altered the provisions of the Memorandum with respect to the name of the Company during the year under scrutiny.
 29. The Company has altered the provisions of the Memorandum with respect to the Share Capital during the year by passing an Ordinary Resolution in the Annual General Meeting held on 23rd September, 2010 for increasing the authorised capital from Rs.7 Crore to Rs. 13 Crore and complied with the provisions of the Act.
 30. The Company has altered its Articles of Association during the financial year with respect to the Share Capital by passing a Special Resolution in the Annual General Meeting held on 23rd September, 2010 for increasing the authorised capital from Rs.7 Crore to Rs. 13 Crore and complied with the provisions of the Act.
 31. There was no prosecution initiated against or show cause notices received by the Company and no fines and penalties or any other punishment imposed on the Company during the financial year, for offences under the Act.
 32. The Company has not received any money as security from its employees during the financial year.
 33. The Company has not constituted a separate Provident Fund trust for its employees as contemplated under Section 418 of the Act.

For R & A Associates,
Company Secretaries

(R.Ramakrishna Gupta)
Partner
C.P. #6696

Place: Hyderabad
Date: 22-08-2011

Annexure - A

Registers maintained by the Company:

1. Register of Charges u/s. 143.
2. Register of Members u/s. 150.
3. Minutes Book of Meeting of Directors u/s. 193.
4. Minutes Book of proceedings of General Meetings u/s. 193.
5. Register of Contracts, Companies and Firms in which Directors, etc. are interested u/s. 301(3).
6. Register of Directors, Managing Director u/s. 303.
7. Register of Director's Shareholdings u/s. 307.

Annexure - B

Forms and returns as filed by the Company with the Registrar of Companies, Andhra Pradesh, Hyderabad during the financial year ending 31st March, 2011.

Sl. No.	Form No. / Return	Filed on	Under Section	Event
1.	Form-17 A82975848	16-04-2010	138	Satisfaction of Charge in favour of State Bank of India, Industrial Branch, Hyderabad.
2.	Form-8 A94027257	15-09-2010	125	Creation of Charge in favour of State Bank of India, Industrial Branch, Hyderabad.
3.	Form-23C A94693777	24-09-2010	233(B)	Application to Central Government for appointment of Cost Auditor for the Financial year 2010-11.
4.	Form -66 P53053286	28-09-2010	383A	Compliance Certificate for the Financial year ended on 31 st March, 2010.
5.	Form-23 A95134821	01-10-2010	192	For Alteration of Articles of Association of the Company towards increase in Authorised Capital.
6.	Form-23 A95484978	06-10-2010	192	For special resolution passed for issue of Redeemable preference Shares of the Company.
7.	Form- 2 A95502126	07-10-2010	75	For allotment of 5,50,000 Preference Shares of Rs. 100 each.
8.	Form-5 A95151361	08-10-2010	97	Increase in Authorised Capital of the Company from Rs. 7 Crores to Rs.13 Crores.
9.	Form-23AC & ACA P55412886	21-10-2010	220	Filed Balance Sheet and Profit and Loss Account for the year ended on 31 st March, 2010.
10.	Form -20B P59785436	16-11-2010	159	Filed Annual Return for the Annual General Meeting held on 23rd September, 2010.



MANAGEMENT DISCUSSION AND ANALYSIS

ORGANISATION – PROFILE

Suryaamba Spinning Mills Limited is one of the well-known producers of Yarn. We are basically into manufacturing of Synthetic blended yarns of Polyester / Viscose, 100% Polyester and 100% Viscose with counts ranging from 20s to 45s. Currently the Company has one manufacturing unit with a capacity of 31,104 spindles. The unit is located at Mouza-Nayakund in the state of Maharashtra which is ISO certified. The unit has an installed capacity of 31,104 spindles with a production capacity of 28 MTs per day.

INDUSTRY STRUCTURE AND DEVELOPMENT

Textile Industry in India is the second largest employment generator after agriculture. Textile Industry is unique in the terms that it is an independent industry, from the basic requirement of raw materials to the final products, with huge value-addition at every stage of processing. India is the largest producer of Jute, the 2nd largest producer of Silks, the 3rd largest producer of Cotton and Cellulosic Fibre/Yarn and 5th largest producer of Synthetic Fibres/Yarn. Textile sector in India accounts for around 8 per cent of GDP, contributes 14 per cent of the value addition in the manufacturing sector and more than 30 per cent of the export earnings of the country. It is the single largest employer with an estimated workforce of 38 million. India textile industry is one of the leading in the world. The Yarn industry comprises 3044 mills (including SSI) with installed spindle age of about 39.50 million. Three Fourth of the production in the spinning industry is from the private sector and the balance from the Cooperative/Public Sector units. Improvement in production across product lines has been supported by revival in the demand as well as significant capacity additions/modernization initiatives undertaken by the industry during last few years aided by Technology Up gradation Fund Scheme (TUFS)

.SWOT Analysis :

Strengths : our strengths are,

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

Weaknesses

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

Opportunities

- Ø Booming hosiery manufacturing sector in India, who are probable customers of the Company.
- Ø Lucrative export market for the yarn especially 40s/45s count.
- Ø High demand in premium innerwear market which generally requires 40s count yarn.

Threats

- Ø Threat of cheap Chinese import of yarn in Indian as well as global market.

HUMAN RESOURCE DEVELOPMENT AND INDUSTRIAL RELATIONS

The Company recorded higher volumes, revenues, operation profit and net income and improved on several operational primarily because of the commitment, initiatives and high-octane energy demonstrated by the employees at all levels. Human Capital is the most valuable resource of an organization. Development of human capital has always been the thrust area of the Company. The success of any business lies under the qualified,



- Ø Raw materials constitute a significant percentage of the Company's total expenses. However, this is common for as spinning unit.
- Ø The decline in the TUFs assistance is a major negative for the textile sector.

RISKS AND CONCERNS

In 2010-11 inflation has increased rapidly and touched record highs. Usually, growing inflation dampens consumer demand for household goods, including textiles and apparels. If India's inflation continues to stay at such a level, there is a risk that domestic sales would be negatively impacted. We suffer on account of poor infrastructure, high transaction cost, not so favourable labour laws, increased power tariff and fuel cost, uncertainty in the government policies, etc. Structural weaknesses need to be addressed particularly in the wake of growing threat from China and other countries.

OUTLOOK

The economy is on the path of recovery and the Company expects good demand for its products in domestic as well as international markets. Major markets for Indian Textile and Clothing (T&C) export are the USA and EU and they have much recovered from the recession of the past years. The domestic market is also on the path of healthy growth because of the fact that few manufacturing facilities operating abroad have closed down due to recession. The home-textiles and garment segments are reflecting sound growth both in the domestic and international markets due to good demand of apparels. There is a substantial scope for further growth in these segments. Your Company believes that the competition in the emerging markets will be met by developing production systems based on cost efficiency, high productivity, quality assurance, etc.

INTERNAL CONTROLS AND THEIR ADEQUACY

The Company has a robust internal control system and is supervised periodically by competent professional managers. Periodically, the systems are reviewed and aligned to the needs of the growing needs of the Company. Both external and internal auditors, who have access to all records and information about our Company, regularly check company's internal control systems. The Board and the management review the findings and recommendations of the auditors and take corrective actions wherever necessary.

The Board considers risk assessment, identification of mitigating actions and internal control procedure to ensure that business risks are identified, managed and regularly reviewed at all levels and that Directors are periodically apprised of the key risks.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The gross turnover of your Company for 2010-11 was Rs. 1,203,7.48 Lakhs (Rs. 8,556.94 Lakhs in the previous year). The production during the year was 92.96 Lakh Kgs. of yarn (87.03 Lakh kgs. in the previous year).

Your Company has earned a Profit Before Tax of Rs.677.79 Lakhs for 2010-11 (Rs. 95.95 Lakhs in the previous year). The Company earned a profit after tax of Rs.459.87 Lakhs (Rs.27.41 Lakhs in the previous year) During the year 2010-11, the textile industry has recovered from the recession of past years. Irrespective of the prices of raw material touching high in the year, your company performed well in the industry standard.

HUMAN RESOURCE DEVELOPMENT AND INDUSTRIAL RELATION

The Company recorded higher volumes, revenues, operation profit and net income and improved on several operational primarily because of the



commitment, initiatives and high-octane energy demonstrated by the employees at all levels. Human Capital is the most valuable resource of an organization. Development of human capital has always been the thrust area of the Company. The success of any business lies under the qualified, trained & motivated Human Resources. Industrial relations is geared at developing and aligning the operatives to the overall goal of the organization. Company takes adequate steps for maintaining safety and healthy environment for the workers. Your Directors place on record their sincere appreciation for the excellent team work with which the workers and the staff of the Company at all levels contribute for the better performance of the Company.

CAUTIONARY STATEMENT

The management of Suryaamba Spinning Mills Limited has prepared and is responsible for the

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



REPORT ON CORPORATE GOVERNANCE

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

1. COMPANY'S PHILOSOPHY

“Corporate Governance is concerned with holding the balance between economic and social goals and between individual and communal goals. The governance framework is to encourage the efficient use of resources and equally to require accountability for the stewardship of those resources. The aim is to align as nearly as possible the interests of individuals, corporations and society.” (Sir Adrin Cadbury, UK Commission report: Corporate Governance 1992)

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

2. BOARD OF DIRECTORS

Composition, category of Directors and attendance record for the year 2010-2011 :

The Board of Directors along with its Committees provides leadership and guidance to the company's management and directs, supervises and controls the performance of the Company. The Board comprises a combination of Executive and Non Executive Directors. In the financial year, the board was consist of 8 Directors out of which 3 were Executive Directors, 4 are Non-executive Independent Directors and one Non-executive non-independent Director. The Non Executive Directors bring independent views and judgment in the decision making process of the Board.

Constitution of the Board and participation of Directors at meetings of the Board during the year 2010-11.

Name of the Director	Category	Board meetings Attended	Attendance at last AGM held on 23.09.2010
Sri R. Surender Reddy ¹	Non-Executive Independent	1	Yes
Sri Ravinder Kumar Agarwal ²	Non-Executive Independen	1	Yes



Sri Sanjiv A Agrawal	Non-Executive Independent	6	Not Present
Sri Pundlik Sampatrao Thakare	Non-Executive Independent	6	Not Present
Sri Vithaldas Agarwal ³	Non-Executive/ Promoter	1	Not Present
Sri Virender Kumar Agarwal	Executive/Promoter	6	Yes
Smt Seema Rani Agarwal	Executive/Promoter	6	Not Present
Sri Mayank Agarwal	Executive/Promoter	6	Not Present

- Note : 1. Sri R. Surender Reddy has resigned from the office of Director with effect from 8th April, 2011.
 2. Sri Ravinder Kumar Agarwal has resigned from the office of Director with effect from 27th March, 2011.
 3. Sri Vithaldas Agarwal has resigned from the office of Director with effect from 9th May, 2011.

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

Name of the Director	Other Directorships	Committee Membership	Committee Chairmanship
Sri R. Surender Reddy	8	6	3
Sri Ravinder Kumar Agarwal	2	Nil	Nil
Sri Sanjiv A Agrawal	1	Nil	Nil
Sri Pundlik Sampatrao Thakare	Nil	Nil	Nil
Sri Vithaldas Agarwal	2	Nil	Nil
Sri Virender Kumar Agarwal	Nil	Nil	Nil
Smt Seema Rani Agarwal	Nil	Nil	Nil
Sri Mayank Agarwal	Nil	Nil	Nil

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

Number of Board meetings held and their dates :

During the period under review Six Board meetings were held on 14th May 2010, 2nd August 2010, 28th August 2010, 15th October 2010, 27th January 2011 and 11th March 2011. The maximum time-gap between any two consecutive meetings did not exceed four months.

Re-appointment of Retiring Directors :

In pursuant to the previous of Companies Act, 1956, Sri Mayank Agarwal, Director of the Company will retire at the ensuing 4th Annual General meeting of the Company and, being eligible, offer himself for re-appointment.



3. Audit Committee

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

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

1. Authority to investigate into any matter that may be prescribed under the Act and for the purpose the audit committee shall have full access to information contained in records of the Company and external professional advice, if necessary.
2. Conduct discussions with auditors periodically about internal control systems, the scope of audit including the observations of the auditors.
3. Review of quarterly, half yearly and annual financial statements.
4. Recommendations made by audit committee on any matter relating to the financial statements shall be binding on the board.
5. Review of Company's financial and risk management policies.

b) Composition and Chairperson :

1.	Sri Pundlik Sampatrao Thakare	-	Chairman
2.	Sri Ravinder Kumar Agarwal	-	Member
3.	Sri Sanjiv A Agrawal	-	Member
4.	Smt. Seema Rani Agarwal	-	Member

Smt. Seema Rani Agarwal is a Executive Director of the Company and all other Directors are Non- Executive and Independent Directors on the Board of Directors of the Company.

c) Meetings and Attendance during the year :

During the year under review, four Audit Committee meetings were held on 14th May 2010, 2nd August 2010, 15th October 2010 and 27th January 2011. The attendance of each member of the Committee is given below:

Sl. No.	Name	No. of Meetings attended
1.	Sri Pundlik Sampatrao Thakare	4
2.	Sri Sanjiv A Agrawal	4
3.	Sri Ravinder Kumar Agarwal	-
4.	Smt. SeemaRani Agarwal	-



4. REMUNERATION

a) Brief description of terms of reference

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

b) Composition and Chairperson:

Sl. No.	Name	Designation
1.	Sri Ravinder Kumar Agarwal	Chairman
2.	Sri Sanjiv A Agrawal	Member
3.	Sri Pundlik Sampatrao Thakare	Member

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

c) Attendance during the year:

During the year under review, 1 Remuneration Committee meeting was held on 19th January, 2011. The attendance of each member of the Committee is given below:

Sl. No.	Name	No. of Meetings attended
1.	Sri Ravinder Kumar Agarwal	-
2.	Sri Sanjiv A Agrawal	1
3.	Sri Pundlik Sampatrao Thakare	1

d) Remuneration policy:

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

e) Details of remuneration paid to Directors:

A detail of remuneration paid to Managerial Persons of the Company during the year 2010-2011 is given below:

Sri. Virender Kumar Agarwal - Managing Director				
Salary (Rs.)	Perquisites (Rs.)	Commission (Rs.)	Contribution to PF (Rs.)	Total (Rs.)
11,40,000	7,60,000	5,70,000	1,36,800	26,06,800

Smt. Seema Rani Agarwal – Joint Managing Director				
Salary (Rs.)	Perquisites (Rs.)	Commission (Rs.)	Contribution to PF (Rs.)	Total (Rs.)
9,60,000	5,44,000	3,84,000	1,15,200	20,03,200

Sri. Mayank Agarwal – Whole time Director				
Salary (Rs.)	Perquisites (Rs.)	Commission (Rs.)	Contribution to PF (Rs.)	Total (Rs.)
7,71,600	4,37,240	3,08,640	92,592	16,10,072



SURYAAMBA SPINNING MILLS LIMITED

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

The detail of Sitting Fees paid to the non Executive Directors for attending Board and Committee meetings during the financial year 2010-2011 is given below:

Sl. no	Name of the Director	Sitting Fees paid for Board Meeting (In Rs.)	Sitting Fees paid for Audit Committee Meeting (In Rs.)
1	Sri R. Surender Reddy	2000	Not Applicable
2	Sri Ravinder Kumar Agarwal	2000	-
3	Sri Sanjiv A Agrawal	12000	8000
4	Sri Pundlik Sampatrao Thakare	12000	8000
5	Sri Vithaldas Agarwal	2000	Not Applicable

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

5. SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE

a) Composition and brief terms of reference :

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

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

The composition of the Committee and the details of meetings attended by its members are given below:

Sl. No.	Name	Designation
1.	Sri Sanjiv A Agrawal	Chairman
2.	Sri Ravinder Kumar Agarwal	Member
3.	Sri Pundlik Sampatrao Thakare	Member

b) Name and designation of the Compliance Officer :

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

c) Number of Shareholders complaints received so far :

4 Complaints were received by the Company during the year.

d) Number of Shareholders complaints not resolved to the satisfaction of shareholders :

All the complaints were resolved to the satisfaction of shareholders



e) Number of pending share transfers :

There were no transfers pending.

6. GENERAL BODY MEETINGS

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

Financial year	Date	Venue	Time
2007-08	18.09.2008	Kamat Lingapur Hotel, 1-10-44/2, Chikoti Gardens, Begumpet, Hyderabad - 500016	4.00 P.M
2008-09	14.09.2009	Kamat Lingapur Hotel, 1-10-44/2, Chikoti Gardens, Begumpet, Hyderabad - 500016	3.00 P.M
2009-10	23.09.2010	Kamat Lingapur Hotel, 1-10-44/2, Chikoti Gardens, Begumpet, Hyderabad - 500016	3.00 P.M

For the year ended 31st March 2011, there were no resolutions passed through postal ballot. At the ensuing Annual General Meeting, there is no resolution proposed to be passed through postal ballot.

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

At the AGM held on 18th September, 2008 a Special Resolution was passed for changing the place of keeping records/registers of the Company.

At the AGM held on 14th September, 2009 Special Resolutions were passed to transact the following Special Business:

1. Appointment of Smt Seema Rani Agarwal as a Joint Managing Director of the Company.
2. Appointment of Sri Mayank Agarwal as an Additional Director of the Company.
3. Increasing of Authorised Capital of the Company from Rs.5 Crores to Rs.7 Crores.

At the AGM held on 23rd September, 2010 Special Resolutions were passed to transact the following Special Business:

1. Increase of Authorised Capital of the Company from Rs. 7 Crores to Rs. 13 Crores.
2. Alteration of Articles of Association of the Company for increase in Authorised Capital.
3. Issue of Preference Shares

(c) Details of Extra-Ordinary General Meetings held during the Financial Year: Nil

(d) Whether special resolutions were put through postal ballot last year, details of voting pattern: Nil

(e) Person who conducted the postal ballot exercise: Not Applicable

(f) Whether any resolution is proposed to be conducted through postal ballot: Nil

(g) Procedure for Postal Ballot : Not Applicable



7. DISCLOSURES

a) CEO and CFO Certificate

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

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

There were no materially significant related party transactions having potential conflict with the interests of the company at large. Transactions with related parties are disclosed in Note No. 14 of Notes on Accounts under Schedule 21.

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

d) Whistle Blower Policy:

The Company has not established a whistle blower policy. We further affirm that during the year 2010-11, no person has denied access to the audit committee.

e) The Company has fulfilled the following non-mandatory requirements as prescribed in Annexure I D to clause 49 of the Listing Agreement with the Stock Exchanges:

1. The Company has set up a Remuneration Committee. Please see the para on Remuneration Committee for details.

8. MEANS OF COMMUNICATION.

a) Half yearly report sent to each household of shareholders:

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

b) Newspapers in which Quarterly results normally published:

During the year under review, the Company has published the un-audited results as per listing requirement with the Stock Exchange in Financial Express/Business Standard (English Daily) and Praja Shakti (Telugu Daily).

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

www.Suryaamba.com

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

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



9. GENERAL SHAREHOLDER INFORMATION

a)	Annual General Meeting - Date - Time - Venue	:	23 rd September, 2011 5.00 p.m. Kamat Lingapur Hotel,1-10-44/2, Chikoti Gardens, Begumpet, Hyderabad- 500016
b)	Financial Calendar	:	1 st April to 31 st March
c)	Date of Book closure	:	20-09-2011 to 23-09-2011
d)	Dividend Payment Date	:	Within 30 days from the date of Annual General Meeting.
e)	Listing on Stock Exchanges	:	The Company's shares are listed in Bombay Stock Exchange Limited (BSE).

The Company's shares are listed at the following Stock Exchanges:

Name and Address of the Stock Exchange	Scrip Code
Bombay Stock Exchange Limited, Mumbai (BSE)Phiroze Jeejeebhoy Towers, Dalal street, Mumbai - 400 001.	533101

The listing fee for the year 2010-11 has been paid to Stock Exchange.

- f) Market Price Data: Monthly High and Low prices of Suryaamba Spinning Mills Ltd at Bombay Stock Exchange (BSE) for the year ended 31st March 2011 are furnished hereunder:

Month	Bombay Stock Exchange	
	High (Rs.)	Low (Rs.)
April 2010	32.30	29.05
May 2010	31.95	28.50
June 2010	42.30	29.05
July 2010	64.90	42.40
August 2010	78.00	62.35
September 2010	76.60	68.80
October 2010	107.80	70.25
November 2010	102.15	88.65
December 2010	94.45	72.95
January 2011	88.90	71.75
February 2011	64.60	48.75
March 2011	52.00	45.75



SURYAAMBA SPINNING MILLS LIMITED

g) Registrar & Transfer Agents:

M/s. Sathguru Management Consultants Private Limited
Plot No.15, Hindi Nagar, Panjagutta, Hyderabad- 500 034.
Phone No. 040-23356975/23356507/23350586
Fax No.040-23354042.
E-Mail: info@sathguru.com

h) Share transfer System:

The Board of Directors has delegated the power of approving transfer of shares to the Managing Director of the Company and the details regarding the transfers are placed before the Board of Directors at the subsequent meeting for their approval. The Company's Registers and Share Transfer Agent is Sathguru Management Consultants Private Limited, Hyderabad, who look after shares transfers and other related works.

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

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

(i) Distribution of Shareholding:

(i) Shareholding pattern as on 31st March 2011

Sl.No	Category	No. of Shares held	Percentage of shareholding
1.	Promoters	1364635	61.25
2.	Mutual Funds and UTI	104	
3.	Banks, Financial Institutions, Insurance Companies (Central/ State Government Institutions/ Non-Government Institutions)	870	0.04
4.	Corporate Bodies	108727	4.88
5.	Public	719272	32.28
6.	NRI's/OCBs	-	-
	Others	34392	1.55
	TOTAL	2228000	100

(ii) Distribution of Shareholding as on 31st March 2011

No. of Equity Shares held	Share Holders		Shares	
	Number	% to	in Rs	% of
1 - 5000	2836	91.81	2721810	12.22
5001-10000	126	4.28	951170	4.26
10001-20000	62	2.01	922190	4.14
20001-30000	20	0.65	496500	2.23
30001-40000	10	0.32	344840	1.55
40001-50000	6	0.19	263730	1.18
50001-100000	12	0.19	975780	4.38
100001- Above	17	0.55	15603980	70.04
TOTAL	3089	100	22280000	100

j) Dematerialization of Shares & Liquidity:

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

As on 31.03.2011, 21,13,521 Equity shares were dematerialized representing 94.86% of the total paid up equity share capital of the Company. The ISIN allotted to the company's scrip is INE360J01011.

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

l) Plant Locations:

Mouza-Nayakund
Near Ramtek,
Nagpur, Maharashtra.

m) Address for Correspondence:

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

Sathguru Management Consultants Private Limited
Plot No.15, Hindi Nagar,
Panjagutta, Hyderabad-500 034.
Phone No. 23350586/23356507.
Fax No.23354042.
Email: sta@sathguru.com



- Ø Any queries relating to dividend, annual reports etc.
The Compliance Officer
Suryaamba Spinning Mills Limited
Surya Towers, 1st Floor, 105, Sardar Patel Road,
Secunderabad - 500 003.
Andhra Pradesh.
Phone No.040-27813360
E-mail: samba.ngp@gmail.com

NON-MANDATORY REQUIREMENTS

a) Chairman of the Board

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

b) Remuneration Committee

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

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

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

c) Shareholder Rights

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

d) Postal Ballot

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

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

Place: Nagpur
Date: 18-07-2011

Virender Kumar Agarwal
Managing Director

Seema Rani Agarwal
Joint Managing Director



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

We, Virender Kumar Agarwal, Managing Director and Milind Bangre, Senior Manager (Accounts) of Suryaamba Spinning Mills Limited hereby certify to the Board that:

- a) We have reviewed the financial statements and the cash flow statements for the year ended 31st March, 2011 and certify that to the best of our knowledge and belief;
- i) These statements do not contain any materially untrue statement nor omit any material fact not contain statements that might be misleading; and
- ii) These statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls in the Company and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the audit committee, deficiencies in the design or the operation of internal controls, if any, of which we are aware and the steps that we have taken or propose to take and rectify the identified deficiencies.

- d) We have indicated to the auditors and the Audit Committee of:
 - i) Significant changes in the internal control during the year;
 - ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii) There are no instances of significant fraud of which we have become aware.
- e) We affirm that we have not denied any personnel access to the Audit Committee of the Company (in respect of matters involving alleged misconduct).
- f) We further declare that all Board Members and designated Senior Management have affirmed compliance with the Code of Conduct for the Current year.

Virender Kumar Agarwal
Managing Director

Milind Bangre
Senior Manager (Accounts)

Place : Nagpur
Date : 18-07-2011



AUDITORS' REPORT

To the Members of SURYAAMBA SPINNING MILLS LIMITED, SECUNDERABAD.

1. We have audited the attached Balance Sheet of SURYAAMBA SPINNING MILLS LIMITED, SECUNDERABAD (A.P) as at 31st March, 2011 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 (as amended), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. The appointment and remuneration paid to Managing Director amounting to Rs.1,69,733- w.e.f. 01.03.2011 is subject to the approval of members.
5. Further to our comments in the Annexure referred to above, we report that:
 - i) We have obtained all the information and explanations which to the best of our knowledge

and belief were necessary for the purposes of our audit.

- ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- iii) The Balance Sheet, Profit and Loss Account and Cash Flow statement dealt with by this report are in agreement with the books of account.
- iv) In our opinion, the Balance Sheet, Profit and Loss account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
- v) On the basis of written representations received from the Directors, as on 31st March, 2011 and taken on record by the Board of Directors, we report that, none of the Directors is disqualified as on 31st March, 2011 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
- vi) In our opinion and to the best of our information and according to the explanations given to us the said accounts read in conjunction with the Schedules annexed therewith give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) in the case of the balance sheet, of the state of affairs of the Company as at 31st March, 2011;
 - b) in the case of the profit and loss account, of the Profit of the Company for the year ended on that date; and
 - c) in the case of cash flow statement, of the cash flows for the year ended on that date.

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

(K.S.RAO)

Partner

Place: Hyderabad

Date : 19th July, 2011

Membership No.15850



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

Re: SURYAAMBA SPINNING MILLS LIMITED, SECUNDERABAD

1. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets. under Section 301 of the Companies Act, 1956.
- b) As explained to us, the management has physically verified most of the fixed assets during the year and there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of the assets. As informed, no material discrepancies were noticed on such verification. b) In view of our comment in paragraph 3(a) above, (III) (b), (c), (d) and (e) of paragraph 4 of the aforesaid order are not applicable to the Company.
- c) During the year the Company has not disposed off any of its fixed assets. f) In our opinion the rate of interest and other terms and conditions on which loans have been taken from the other parties listed in the register maintained under Section 301 of the Companies Act, 1956 are not prima facie prejudicial to the interest of the Company.
2. a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable. g) According to the information and explanation given to us, terms have been stipulated for payment of the principal amount and interest thereon. The Company is regular in payment of the principal amount and interest thereon.
- b) In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business. 4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and with regard to sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
- c) The Company is maintaining proper records of inventory. The discrepancies noticed on physical verification between the physical stocks and book records were not material. 5. a) According to the information and explanations given to us by the Management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have
3. a) During the year, the Company has neither taken nor granted any loans, secured or unsecured to Companies, firms or other parties covered in the register maintained



- been entered in the register to be maintained under that section
- b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public. Hence the provisions of Section 58A and 58AA or any other relevant provisions of the Companies Act, 1956, and the Companies (Acceptance of Deposits) Rules, 1975, do not apply to this Company.
7. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
8. We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 in respect of yarn and are of the opinion that prime facie the prescribed accounts and records have been made and maintained.
9. a) According to the records of the Company, apart from certain instances of delays the company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Sales Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it.
- b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income-tax, Wealth Tax, Service Tax, Sales Tax, Customs Duty, Excise Duty and Cess were in arrears as at March 31, 2011 for a period of more than six months from the date they became payable.
10. The Company has no accumulated losses as at the end of the financial year. The Company has not incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institutions and Banks.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund or a nidhi/ mutual benefit fund/ society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
14. The Company is not dealing or trading in shares, securities, debentures and other investments. Therefore, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.



15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
16. In our opinion and according to the information and explanations given to us the term loans were applied for the purpose for which the loans were raised.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
18. During the year, the Company has not made any preferential allotment of shares to parties and Companies covered in the Register maintained under section 301 of the Companies Act, 1956.
19. During the year, the Company has not issued any debentures , therefore the question of creating security or charge in respect thereof does not arise
20. During the year, the Company has not made any public issue and therefore the question of disclosing the end use of money raised by public issue does not arise.
21. Based upon the audit procedures performed and according to the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year.

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

(K.S.RAO)
Partner

Place: Hyderabad
Date : 19th July, 2011

Membership No.15850



SURYAAMBA SPINNING MILLS LIMITED

Balance Sheet at at 31st March, 2011

	Schedule	As at		As at	
		31st March 2011	Rs.	31 st March 2010	Rs.
I Sources of Funds :					
(1) Share holders' Funds					
(a) Share Capital	1	78,772,200		24,243,700	
(b) Reserves and Surplus	2	<u>214,420,900</u>		<u>171,207,406</u>	
			293,193,100		195,451,106
(2) Loan Funds					
(a) Secured Loans	3	288,806,537		131,560,364	
(b) Unsecured Loans	4	<u>11,376,747</u>		<u>11,376,747</u>	
			300,183,284		142,937,111
(3) Deferred Tax Liability					
			<u>37,337,556</u>		<u>34,246,340</u>
	Total		<u>630,713,940</u>		<u>372,634,557</u>
II Application of Funds :					
(1) Fixed Assets					
(a) Gross Block	5	669,261,320		395,662,483	
(b) Less: Depreciation		<u>194,207,053</u>		<u>173,945,295</u>	
(c) Net Block		475,054,267		221,717,188	
(d) Capital Work-in-Progress		<u>4,560,300</u>		<u>19,876,022</u>	
			479,614,567		241,593,210
(2) Current Assets, Loans and Advances					
(a) Inventories	6	28,966,545		49,093,858	
(b) Sundry Debtors	7	161,873,564		84,542,077	
(c) Cash and Bank Balances	8	15,024,189		7,912,536	
(d) Loans and Advances	9	<u>39,879,996</u>		<u>41,059,027</u>	
		<u>245,744,294</u>		<u>182,607,498</u>	
Less:					
(3) Current Liabilities and Provisions					
(a) Current Liabilities	10	62,484,423		34,821,867	
(b) Provisions	11	<u>32,439,056</u>		<u>17,069,268</u>	
		<u>94,923,479</u>		<u>51,891,135</u>	
Net Current Assets					
			150,820,815		130,716,363
(4) Miscellaneous Expenditure					
	12		<u>278,558</u>		<u>324,984</u>
	Total		<u>630,713,940</u>		<u>372,634,557</u>
Notes to accounts					
	21				

The Schedules referred to above and notes to accounts form an integral part of the Balance Sheet
Per our report of even date For and on behalf of the Board

For BRAHMAYYA & CO.,

Chartered Accountants
Firms' Regn No: 000513S

(K.S. Rao)

Partner
Membership No. 15850

Place: Nagpur
Date: 18th July, 2011

Virender Kumar Agarwal
Managing Director

Seema Rani Agarwal
Joint Managing Director



SURYAAMBA SPINNING MILLS LIMITED

Profit and Loss Account for the year ended March 31, 2011

	Schedule	Current Year Rs.	Previous Year Rs.
I Income			
(i) Sales	13	1,201,338,140	854,482,359
(ii) Other Income	14	2,410,245	1,211,213
		<u>1,203,748,385</u>	<u>855,693,572</u>
II Expenditure			
(i) Raw Material Consumed	15	800,037,503	596,121,816
(ii) Stores Consumed	16	22,670,524	20,500,744
(iii) Payments and Benefits to Employees	17	85,726,867	62,460,467
(iv) Other Expenses	18	187,818,048	130,222,271
(v) Depreciation	5	20,261,758	18,251,272
(vi) Finance Charges	19	26,194,456	20,831,558
(vii) (Increase) / Decrease in Stock	20	(6,739,421)	(2,290,249)
		<u>1,135,969,735</u>	<u>846,097,879</u>
III Profit before Tax		67,778,650	9,595,693
Provision for Tax for: the year		18,700,000	5,500,000
: earlier years		-	300,000
: Deferred tax		3,091,216	1,054,969
		<u>45,987,434</u>	<u>2,740,724</u>
IV Profit after Tax		45,987,434	2,740,724
Balance brought forward		17,525,806	17,988,794
		<u>63,513,240</u>	<u>20,729,518</u>
V Profit available for appropriation		63,513,240	20,729,518
VI Appropriation			
(i) Proposed Dividend:			
(a) Equity Share Capital		2,228,000	1,671,000
(b) Preference Share Capital		150,844	175,956
(c) Corporate Dividend Tax		395,096	306,756
(ii) Transfer to: General Reserve		50,000	50,000
: Preference Shares Redemption Reserve		376,000	1,000,000
(iii) Balance Carried to Balance Sheet		60,313,300	17,525,806
		<u>63,513,240</u>	<u>20,729,518</u>
VII Earnings Per Share (Nominal value of Rs. 10/- per share)			
Basic and Diluted		20.56	1.14
Notes to the Accounts	21		

The Schedules referred to above and notes to accounts form an integral part of the Profit and Loss Account
Per our report of even date For and on behalf of the Board

For BRAHMAYYA & CO.,

Chartered Accountants
Firms' Regn No: 000513S

(K.S. Rao)

Partner
Membership No. 15850

Place : Nagpur

Date : 18th July. 2011

Virender Kumar Agarwal
Managing Director

Seema Rani Agarwal
Joint Managing Director



Schedules form part of The Accounts

	As At 31-03-2011 Rs.	As At 31-03-2010 Rs.
SCHEDULE - 1		
SHARE CAPITAL		
Authorised		
50,00,000 (50,00,000) Equity Shares of Rs.10/- each	50,000,000	50,000,000
8,00,000 (2,00,000) Preference Shares of Rs.100/- each	<u>80,000,000</u>	<u>20,000,000</u>
Issued, Subscribed and Paid up		
22,28,000 (22,28,000) Equity Shares of Rs. 10/- each	22,280,000	22,280,000
NIL (4,715) 12% Cumulative Redeemable Preference Shares of Rs.100/- each (Series IV)	471,500	-
14,922 (14,922) 8% Cumulative Redeemable Preference Shares of Rs.100/- each (Series VII)	1,492,200	1,492,200
	<u>23,772,200</u>	<u>24,243,700</u>
Share Application Money for Allotment of Cumulative Redeemable Preference Shares of Rs. 100/- each	55,000,000	-
Total	<u>78,772,200</u>	<u>24,243,700</u>

SCHEDULE - 2
RESERVES AND SURPLUS

	As At 01.04.2010 Rs.	Additions during the year Rs.	Deductions during the year Rs.	As at 31.03.2011 Rs.
Securities Premium	25,230,000	-	-	25,230,000
Investment Subsidy	3,000,000	-	-	3,000,000
Preference Share Redemption Reserve	5,376,600	376,000	-	5,752,600
General Reserve	120,075,000	50,000	-	120,125,000
Surplus in Profit and Loss Account	17,525,806	60,313,300	17,525,806	60,313,300
Total	<u>171,207,406</u>	<u>60,739,300</u>	<u>17,525,806</u>	<u>214,420,900</u>

**Schedules form part of The Accounts**

	As At 31-03-2011 Rs.	As At 31-03-2010 Rs.
SCHEDULE - 3		
SECURED LOANS		
Term Loans from State Bank of India	172,995,560	36,533,320
Working Capital Loans from Banks		
Cash Credit facility from : State Bank of India	80,814,055	73,701,335
: Axis Bank Limited	20,196,850	19,907,429
Demand Loan from State Bank of India	11,856,783	-
Vehicle Loans from		
Bank	777,622	1,418,280
Financial Institution	2,165,667	-
Total	<u>288,806,537</u>	<u>131,560,364</u>

1. Term Loans are secured by pari passu first charge on immovable properties of the Company present and future and second charge on movable properties. The loans further secured by personal gurantees of two Promotor Directors of the company.
2. Working Capital loans from banks are secured by hypothecation of stock in trade, raw materials, stock in process, stores and spares and receivables present and future and by a second charge on immovable properties of the Comapny present and future on pari passu basis. The loans are further secured by personal gurantees of two Promotor Directors of the company.
3. Hire purchase loans are secured by hypothecation of vehicles and guaranteed by the Managing Director of the Company.

SCHEDULE - 4
UNSECURED LOANS

From Directors	11,376,747	11,376,747
Total	<u>11,376,747</u>	<u>11,376,747</u>

Schedules form part of The Accounts

**SCHEDULE - 5
FIXED ASSETS**

SI. No.	Particulars	Gross Block				Depreciation				Net Block	
		As at 01.04.2010 Rs.	Additions Rs.	Deletions Rs.	As at 31.03.2011 Rs.	up to 01.04.2010 Rs.	for the year Rs.	on deletions Rs.	up to 31.03.2011 Rs.	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
1	Land	1,423,246	13,243,265	-	14,666,511	-	-	-	-	14,666,511	1,423,246
2	Factory Buildings	49,046,889	89,431,435	-	138,478,324	16,944,284	2,415,605	-	19,359,889	119,118,435	32,102,605
3	Non Factory Buildings	47,680,595	29,052,492	-	76,733,087	6,265,915	965,554	-	7,231,469	69,501,618	41,414,680
4	Plant and Machinery	260,077,591	124,510,369	-	384,587,960	131,807,769	14,450,358	-	146,258,127	238,329,833	128,269,822
5	Testing Equipment	1,622,809	77,695	-	1,700,504	433,566	80,541	-	514,107	1,186,397	1,189,243
6	Electrical Installations	19,648,248	13,337,932	-	32,986,180	10,913,652	1,231,837	-	12,145,489	20,840,691	8,734,596
7	Data Processing Equipment	3,214,281	561,856	-	3,776,137	2,530,690	281,269	-	2,811,959	964,178	683,591
8	Workshop Equipment	296,609	21,919	-	318,528	217,119	17,132	-	234,251	84,277	79,490
9	Weighing Machinery	312,983	77,569	-	390,552	193,204	15,493	-	208,697	181,855	119,779
10	Water Works	692,948	19,500	-	712,448	135,799	11,595	-	147,394	565,054	557,149
11	Furniture & Fixture	3,831,478	253,638	-	4,085,116	1,978,020	160,398	-	2,138,418	1,946,698	1,853,458
12	Office Equipment	2,760,371	96,780	-	2,857,151	1,075,948	134,314	-	1,210,262	1,646,889	1,684,423
13	Vehicles	5,054,435	2,914,387	-	7,968,822	1,449,329	497,662	-	1,946,991	6,021,831	3,605,106
		395,662,483	273,598,837	-	669,261,320	173,945,295	20,261,758	-	194,207,053	475,054,267	221,717,188
	Add: Capital Work in Progress	19,876,022	104,652,431	119,968,153	4,560,300	-	-	-	-	4,560,300	19,876,022
		415,538,505	378,251,268	119,968,153	673,821,620	173,945,295	20,261,758	-	194,207,053	479,614,567	241,593,210
	Less: Internal Transfer	-	119,968,153	119,968,153	-	-	-	-	-	-	-
	Total	415,538,505	258,283,115	-	673,821,620	173,945,295	20,261,758	-	194,207,053	479,614,567	241,593,210
	Previous Year	389,520,822	26,017,683	-	415,538,505	155,694,023	18,251,272	-	173,945,295	241,593,210	233,826,799

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SURYAAMBA SPINNING MILLS LIMITED



SURYAAMBA SPINNING MILLS LIMITED

Schedules form part of The Accounts

	As At 31-03-2011 Rs.	As At 31-03-2010 Rs.
SCHEDULE - 6		
INVENTORY		
(As valued and certified by the management)		
(Valued at cost unless otherwise stated)		
Raw Materials	215,877	27,344,518
Stores and Spares	9,794,576	9,532,669
Yarn	13,696,639	4,190,100
Stock-in-process	5,244,918	8,010,673
Waste (At realisable value)	14,535	15,898
Total	<u>28,966,545</u>	<u>49,093,858</u>
SCHEDULE - 7		
SUNDRY DEBTORS		
(Unsecured and considered Good)		
Outstanding for a period exceeding six months	-	-
Others	161,873,564	84,542,077
Total	<u>161,873,564</u>	<u>84,542,077</u>
SCHEDULE - 8		
CASH AND BANK BALANCES		
Cash in hand	10,623	698,228
Balances with Scheduled Banks: in Current Accounts	13,520,566	6,596,308
in Deposit Accounts	1,493,000	618,000
Total	<u>15,024,189</u>	<u>7,912,536</u>
SCHEDULE - 9		
LOANS AND ADVANCES		
(Unsecured, considered good, recoverable in cash or in kind or for value to be recovered)		
Advance : for Capital Works	13,987,143	10,672,168
: for Expenses	10,040,959	3,021,737
: to Staff and Workers	184,054	397,629
Balances with Government Authorities	2,911,077	1,004
Interest Accrued	425,951	326,724
Other Receivables	1,367,934	10,525,714
Prepaid Expenses	258,407	276,694
Deposits Recoverable	10,704,471	15,837,357
Advance Tax and TDS (Net of Provisions for Tax)	-	-
Total	<u>39,879,996</u>	<u>41,059,027</u>

**Schedules form part of The Accounts**

	As At 31-03-2011 Rs.	As At 31-03-2010 Rs.
SCHEDULE - 10		
CURRENT LIABILITIES		
Sundry Creditors:		
Dues to : Small and Micro Enterprises *	7,652,102	2,589,478
: Others than Small and Micro Enterprises	52,055,924	29,669,102
Liabilities for Other Finance	1,314,020	1,384,218
Unpaid Dividend **	170,782	76,918
Security Deposits	720,000	720,000
Interest Accrued and Due	571,595	382,151
Total	<u>62,484,423</u>	<u>34,821,867</u>

* Based on the information available with the company, on which auditors relied upon.

** Not due for remittance to Investor Education and Protection Fund.

SCHEDULE - 11**PROVISIONS**

Provision for: Tax (Net of Advance tax and TDS)	13,937,370	3,879,635
: Gratuity	13,936,286	9,689,309
: Leave Encashment	1,791,460	1,346,612
: Equity Dividend	2,228,000	1,671,000
: Preference Dividend	150,844	175,956
: Corporate Dividend Tax	395,096	306,756
Total	<u>32,439,056</u>	<u>17,069,268</u>

SCHEDULE - 12**MISCELLANEOUS EXPENDITURE**

(to the extent not written off or adjusted)

Opening Balance	324,984	371,410
Less: Written off during the year	46,426	46,426
Total	<u>278,558</u>	<u>324,984</u>



SURYAAMBA SPINNING MILLS LIMITED

Schedules form part of Profit & Loss Account

	Current Year Rs.	Previous Year Rs.
SCHEDULE - 13		
SALES		
Yarn	1,200,660,174	853,660,581
Waste	427,818	693,713
Scrap	<u>250,148</u>	<u>128,065</u>
Total	<u>1,201,338,140</u>	<u>854,482,359</u>
SCHEDULE - 14		
OTHER INCOME		
Interest earned (TDS Rs. 70,585/- [Rs. 86,624/-])	823,776	391,636
Rent	1,485,050	326,719
Miscellaneous Income	11,500	-
Excess Provisions / Credit Balance Written Back	<u>89,919</u>	<u>492,858</u>
Total	<u>2,410,245</u>	<u>1,211,213</u>
SCHEDULE - 15		
RAW MATERIAL CONSUMED		
Opening Stock	27,344,518	20,184,690
Add: Purchases	<u>772,908,862</u>	<u>603,281,644</u>
	800,253,380	623,466,334
Less: Closing Stock	<u>215,877</u>	<u>27,344,518</u>
Total	<u>800,037,503</u>	<u>596,121,816</u>
SCHEDULE - 16		
STORES CONSUMED		
Consumable Stores	10,010,682	9,532,589
Packing Material	<u>12,659,842</u>	<u>10,968,155</u>
Total	<u>22,670,524</u>	<u>20,500,744</u>



SURYAAMBA SPINNING MILLS LIMITED

Schedules form part of Profit & Loss Account

	Current Year Rs.	Previous Year Rs.
SCHEDULE - 17		
PAYMENTS AND BENEFITS TO EMPLOYEES		
Salaries, Wages and Bonus	73,301,281	52,590,609
Contribution to Provident Fund and Other Funds	5,187,070	4,297,394
Staff Welfare Expenses	7,238,516	5,572,464
Total	<u>85,726,867</u>	<u>62,460,467</u>
SCHEDULE - 18		
OTHER EXPENSES		
Rent	984,000	766,000
Rates and Taxes	34,635,856	28,569,271
Power and Fuel	77,338,105	62,971,318
Contract Labour Charges	21,750,892	13,187,761
Legal and Professional Charges	753,330	550,829
Insurance	624,000	565,280
Commission on Sales	17,072	156,492
Managerial Remuneration	6,220,072	4,523,584
Remuneration to Auditors : as auditors	66,180	55,150
: for other services	16,545	-
Remuneration to Cost Auditors	35,000	30,000
Communications Cost	493,753	450,220
Travelling and Conveyance	2,258,487	1,286,278
Repairs and Maintenance to: Buildings	5,435,380	3,170,050
: Plant and Machinery	7,556,492	8,377,639
: Other Assets	1,499,859	1,432,436
Expenses on Sales	984,723	1,196,943
Advertisement and Business Promotion	228,012	421,724
Printing and Stationary	332,306	270,306
Miscellaneous Expenses	3,423,748	2,077,972
Preliminary Expenses Written Off	46,426	46,426
Bad Debts and Debit Balances Written Off	23,117,810	116,592
Total	<u>187,818,048</u>	<u>130,222,271</u>



SURYAAMBA SPINNING MILLS LIMITED

Schedules form part of Profit & Loss Account

	Current Year Rs.	Previous Year Rs.
SCHEDULE - 19		
FINANCE CHARGES		
Interest on : Fixed Loans	2,335,106	3,367,387
: Other Loans	15,885,737	13,346,151
Bank Charges	7,973,613	4,118,020
Total	<u>26,194,456</u>	<u>20,831,558</u>
SCHEDULE - 20		
(INCREASE) / DECREASE IN STOCK		
Opening Stock		
Yarn	4,190,100	6,190,625
Stock-in-process	8,010,673	3,702,978
Waste	15,898	32,819
	<u>12,216,671</u>	<u>9,926,422</u>
Closing Stock		
Yarn	13,696,639	4,190,100
Stock-in-process	5,244,918	8,010,673
Waste	14,535	15,898
	<u>18,956,092</u>	<u>12,216,671</u>
(Increase) / Decrease in Stock	<u>(6,739,421)</u>	<u>(2,290,249)</u>



Schedules form part of The Accounts

Schedule-21

Significant Accounting Policies and Notes to Accounts

1. The following are the significant Accounting Policies adopted by the Company in the preparation and presentation of financial statements:

(i) Basis of Preparation:

Financial statements are prepared on historical cost convention on accrual method of accounting and in accordance with generally accepted accounting practices.

(ii) Fixed Assets:

Fixed assets are shown at cost less accumulated depreciation. Cost comprises of the purchase price, borrowing cost and other costs that are directly attributable to bringing the asset to its working condition for its intended use.

(iii) Depreciation:

Depreciation on Fixed Assets is provided on straight-line method at the rates specified and in the manner laid down in Schedule XIV to the Companies Act, 1956.

(iv) Revenue Recognition:

Sale is recognized for the amount realised or realisable for goods sold, net of sales returns and including freight and sales tax thereon.

(v) Inventories

a) Raw Materials, Packing Materials, Stores and spares and Work in process are valued at cost of purchase net of VAT credits ascertained on FIFO basis.

b) Finished goods are valued at lower of cost and net realisable value. Cost includes Cost of raw material, conversion costs and other expenses incurred for bringing the inventories to their present condition and location.

c) Waste is valued at realisable value.

(vi) Foreign Currency Transactions :

a) Import of materials are initially accounted at the exchange rates prevailing on the date of receipt of material and subsequently adjusted with actual payments.

b) Assets and liabilities arising out of foreign exchange transactions are translated at the rates of exchange ruling on the date of Balance Sheet and are suitably adjusted to the revenue account.

c) Non-monetary assets and liabilities are accounted at the rate prevailing on the date of transaction.

(vii) Employee Benefits :

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



Schedules form part of The Accounts

- a) **Defined Contribution Plan :**
Company's contribution paid/payable during the year to Provident Fund and Labour Welfare Fund are recognized in the Profit and Loss Account.
- b) **Defined Benefit Plan :**
- i. **Gratuity**
Gratuity is covered under the schemes of State Bank of India Life Insurance Company and premiums for such schemes are recognized in the Profit and Loss Account.
At the reporting date, Company's liability towards gratuity is determined by independent actuarial valuation using the "Projected Unit Credit Method" which considers each period of service as giving raise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Actuarial gain and losses are recognized immediately in the statement of Profit and Loss Account as income or expense.
- ii. **Leave Encashment**
Liability on account of leave encashment has been provided on the basis of actual liability computed as at the year end.
- (viii) **Taxes on Income :**
Tax expense for the year comprises of current tax and deferred tax.
- a) Provision for current tax is made based on the applicable tax rates and tax laws with respect to the year.
- b) In accordance with the Accounting Standard – 22 (AS 22) "Accounting for Taxes on income, the company recognises the deferred tax liability / asset in the accounts, whereby
- i. Deferred tax is recognized on timing differences between the accounting income and the taxable income for the year and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.
- ii. Deferred tax assets are recognized only if there is reasonable certainty that they will be realized and are reviewed for the appropriateness of their respective carrying values at each balance sheet date
- (ix) **Earnings per share (EPS) :**
Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shares by weighted average number of equity shares outstanding during the year.
- (x) **Impairment of Assets :**
The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generation unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the profit and loss account. If at the balance sheet date there is an indication that if previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.



Schedules form part of The Accounts

(xi) Provisions and Contingent Liabilities :

Provision is recognized when the company has legal/constructive obligation for which it is probable that a cash outflow may be required and a reliable estimate can be made of the amount of the obligation.

Contingent liabilities not provided for are indicated by way of a Note and will be paid / provided on crystallisation of the liability.

(xii) Miscellaneous Expenditure:

Preliminary Expenses are written off over a period of five years.

2. Contingent Liabilities:

Contingent liabilities not provided for on account of Bank Guarantees Rs 14,57,010/- (Rs 656,118/-)

3. Additional information as required under part II of Schedule VI to the Companies Act, 1956.

Particulars	Current Year No. of Spindles	Previous Year No. of Spindles
Licensed/Registered Capacity	64,388	28,080
Installed Capacity	31,104	28,080

a. Finished Goods, Stock in process and Waste

	Particulars	Current Year		Previous Year	
		Kgs	Rs	Kgs	Rs
i.	Opening Stock				
	Yarn	42,869	41,90,100	71,782	61,90,626
	Stock in process	104,936	80,10,673	53,353	37,02,978
	Waste	3,057	15,898	6,251	32,819
	Total	150,862	122,16,671	131,386	99,26,423
ii.	Production	92,96,024		87,03,270	
iii.	Sales				
	Yarn	92,20,438	120,06,60,174	87,32,183	85,36,60,581
	Waste	81,489	4,27,818	133,406	6,93,713
	Scrap	24,573	2,50,148	12,482	1,28,065
	Total	93,26,500	120,13,38,140	88,78,071	85,44,82,359
iv.	Closing Stock				
	Yarn	118,455	136,96,639	42,869	41,90,100
	Stock in process	54,311	52,44,918	104,936	80,10,673
	Waste	2,769	14,535	3,057	15,898
	Total	175,534	189,56,092	150,862	122,16,671



Schedules form part of The Accounts

b. Raw Materials

	Particulars	Current Year		Previous Year	
		Kgs	Rs	Kgs	Rs
i.	Opening Stock				
	Polyester Staple Fibre	351,372	261,43,175	296634	175,39,468
	Viscose Staple Fibre	9,115	12,01,343	23809	26,45,222
	Total	360,487	273,44,518	320443	201,84,690
ii.	Purchases				
	Polyester Staple Fibre	89,80,507	76,84,78,190	8794949	58,25,08,885
	Viscose Staple Fibre	31,657	44,30,672	166498	207,72,759
	Total	90,12,164	77,29,08,862	8961447	6032,81,64
iii.	Consumed				
	Polyester Staple Fibre	93,31,879	79,46,21,365	8740211	57,39,05,178
	Viscose Staple Fibre	39,242	54,16,138	181192	222,16,638
	Total	93,71,121	80,00,37,503	8921403	59,61,21,816
iv.	Closing Stock				
	Polyester Staple Fibre	-	-	351372	261,43,175
	Viscose Staple Fibre	1,530	215,877	9115	12,01,343
	Total	1,530	215,877	360487	273,44,518

c. Analysis of Material Consumed

	Particulars	Current Year		Previous Year	
		Rs	%	Rs	%
i.	Raw Material Consumed				
	Indigenous	80,00,37,503	100.00	59,61,21,816	100.00
	Imported	-	-	-	-
	Total	80,00,37,503	100.00	59,61,21,816	100.00
ii.	Spare parts and Components Consumed				
	Indigenous	82,18,543	82.10	78,52,803	82.38
	Imported	17,92,139	17.90	16,79,786	17.62
	Total	100,10,682	100.00	95,32,589	100.00



Schedules form part of The Accounts

d. Value of Imports on C.I.F. Basis

Particulars	Current Year	Previous Year
Spare Parts	17,92,139	16,79,786

e. Expenditure in Foreign Currency Rs Nil (Rs Nil)

f. Earnings in Foreign Currency Rs Nil (Rs Nil)

Other Information pursuant to paragraphs 3, 4, 4C and 4D to the extent either Nil or Not Applicable has not been furnished.

4. Managerial Remuneration

Particulars	Current Year	Previous Year
a) Managing Director :		
Salary	1,140,000	1,140,000
Perquisites	760,000	760,000
Contribution to Provident Fund	136,800	136,800
Commission	570,000	-
Total (a)	2,606,800	2,036,800
b) Joint Managing Director :		
Salary	960,000	960,000
Perquisites	544,000	544,000
Contribution to Provident Fund	115,200	115,200
Commission	384,000	-
Total (b)	2,003,200	1,619,200
c) Executive Director :		
Salary	771,600	514,400
Perquisites	437,240	291,456
Contribution to Provident Fund	92,592	61,728
Commission	308,640	-
Total (c)	1,610,072	867,584
Total (a+b+c)	6,220,072	4,523,584



Schedules form part of The Accounts

Computation of profits in accordance with Section 349 of the Companies Act 1956

Particulars	Current Year	Previous Year
Profit for the year before taxation as per profit and loss account	677,78,650	9,595,693
Add: Managerial remuneration	6,220,072	4,523,584
Net Profit in accordance with Section 349 of the Companies Act 1956	739,98,722	14,119,277
Commission to: Managing Director @ 1% of Net Profit or 50% of Salary	570,000	
: Joint Managing Director @ 1% of Net Profit or 40% of Salary	384,000	
: Executive Director @ 1% of Net Profit or 40% of Salary	308,640	
	1,262,640	

5. Earnings per share

Disclosure for earnings per share as required under “Accounting Standard (AS) 20– Earnings Per Share” issued by the Institute of Chartered Accountants of India.

Particulars	Current Year	Previous Year
Profit after tax	459,87,434	2,740,724
Less : Preference dividend provided including Corporate Dividend Tax thereon	175,897	205,180
Profit attributable to Equity Shareholders	458,11,537	2,535,544
No of Equity shares (Face value Rs. 10/- each)	2,228,000	2,228,000
Weighted average No. of Shares	2,228,000	2,228,000
Earnings Per Share (EPS)	20.56	1.14

6. Deferred Tax :

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

Major components of Deferred tax assets and liabilities arising on account of timing differences as on 31st March, 2011:

Particulars	Liabilities	Assets
Timing Difference on account of:		
a. Depreciation	439,53,381 (356,47,271)	
b. Expenditure allowable under Section 43B of the Income Tax Act, 1961		64,890 (—)
c. Employee Benefits		65,50,935 (14,00,931)
Net deferred tax liability as at 31st March, 2011	373,37,556 (342,46,340)	



Schedules form part of The Accounts

Deferred tax liability accruing during the year, aggregating to Rs. 30,91,216/- has been debited to the profit and loss account.

7. Balances of Debtors, Creditors, Advances and Loans etc are subject to confirmations and reconciliation.
8. In the opinion of the Board, current assets, Loans and Advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated.
9. As per the notification 30, Dt.09-07-2004 issued by government of India, the Company has opted for exempted route in respect of excise duty on Yarn w.e.f. 31st July, 2007. Hence the company neither collected nor paid the duty on its products and also not availed any CENVAT credit on purchase of raw materials.
10. The Company has provided for Gratuity based on actuarial valuation on the basis of projected unit credit method.

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

(Amount in Rs.)

A) Components of expense recognised in profit and loss Account	Current Year
Current Service Cost	11,43,253
Interest Cost	7,89,366
Expected Return on Plan Assets	(83,420)
Net Actuarial Gain/Loss	30,46,405
Past Service Cost	-
Expense recognized in profit and loss account	48,95,604

B) Components for amounts recognized in Balance Sheet	As at 31-03-2011
Opening Defined Benefit Obligation	1,08,42,026
Interest Cost	7,89,366
Current Service Cost	11,43,253
Benefits paid	(19,49,903)
Actuarial Gain/Loss	31,11,544
Closing Net Liability	1,39,36,286

C) Change in Fair Value of Plan Assets	As at 31-03-2011
Fair value of plan assets at the beginning of the year	6,33,184
Expected return on plan assets	83,420
Actuarial Gain/Loss	65,139
Assets distributed on settlement	-
Actual company contributions less risk premium	27,75,821
Benefits paid	(19,49,903)
Fair value of plan assets at the end of the year	16,07,661



Schedules form part of The Accounts

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

Particulars	Current Year%
Salary Rise	6-8
Attrition Rate	4
Discount Rate	8

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

11. As for information made available with the company, there are no dues to the suppliers under “Small, Micro Enterprises Development Act, 2006” beyond the appointed date. Consequently no interest payable.
12. Details of Non convertible cumulative redeemable preference shares.

Nature	Series	Amount Rs	Date of issue	Date of Redemption
8% Cumulative Redeemable Preference Shares of Rs.100/- each	VII	14,92,200	31-10-2004	29-10-2011

13. Segment Reporting

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

14. Related Party Disclosures

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

a) Names of the related parties and description of relationship:

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

**Schedules form part of The Accounts**

- b) During the period following transactions were carried out with related party in the ordinary course of business :

Nature of Transaction	Current Year	Previous Year
Transactions during the year		
i. Redemption of Preference Shares		
a. Sri. Virender Kumar Agarwal	82,200	-
b. Smt. Seema Agarwal	389,300	-
ii. Interest Paid		
a. Sri. Virender Kumar Agarwal	978,192	968,944
b. Smt. Seema Agarwal	60,960	60,960
iii. Remuneration		
a. Sri. Virender Kumar Agarwal	26,06,800	20,36,800
b. Smt. Seema Agarwal	20,03,200	16,19,200
c. Sri. Mayank Agarwal	16,10,072	867,584
iv. Rent paid to Smt. Seema Agarwal	984,000	766,000
Payable as on 31-03-2011		
a. Sri. Virender Kumar Agarwal	570,000	-
b. Smt. Seema Agarwal	384,000	-
c. Shri Mayank Agarwal	308,640	-

15. Previous year's figures have been regrouped / reclassified, wherever necessary, to conform to those of the current year. Figures in brackets denote those of previous year.

Per our report of even date

For and on behalf of the Board

For BRAHMAYYA & CO.,

Chartered Accountants

Firms' Regn No: 000513S

Virender Kumar Agarwal

Managing Director

Seema Rani Agarwal

Joint Managing Director

(K.S. Rao)

Partner

Membership No. 15850

Place: Nagpur

Date: 18th July, 2011



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2011

(Amount in Rs.)

Particulars	Current Year	Previous Year
A. Cash Flow from Operating Activities :		
Net profit before tax	67,778,650	9,595,693
Adjustment for: Depreciation	20,261,758	18,251,272
Finance Charges	18,220,843	16,713,538
Preliminary Expenses Written Off	46,426	46,426
Debit Balance and Bad Debts written off	23,117,810	116,592
Interest earned	(823,776)	(391,636)
Excess Provisions/Credit Balance Written Back	(89,919)	(492,858)
	<u>60,733,142</u>	<u>34,243,334</u>
Operating Profit before working capital changes	128,511,792	43,839,027
Adjustment for working capital changes:		
Decrease/(Increase) in Inventories	20,127,313	(9,678,492)
Decrease/(Increase) in Receivables	(99,171,039)	18,944,691
(Decrease)/Increase in Liabilities	<u>32,343,196</u>	<u>8,190,543</u>
	<u>(46,700,530)</u>	<u>17,456,742</u>
Operating Profit after working capital changes	81,811,262	61,295,769
Less: Taxes Paid	<u>8,642,265</u>	<u>6,986,624</u>
Net Cash Inflow from Operating Activity (A)	<u>73,168,997</u>	<u>54,309,145</u>
B. Cash Flow from Investing Activities :		
Acquisition of Fixed Assets including Capital Work In Progress	(258,283,115)	(26,017,683)
Interest Received	<u>724,549</u>	<u>506,202</u>
Net Cash Outflow from Investing Activity (B)	<u>(257,558,566)</u>	<u>(25,511,481)</u>
C. Cash Flow from Financing Activity :		
Share Application Money Received	55,000,000	-
Redemption of Preference Share Capital	(471,500)	-
Increase in Term Loan	146,661,745	-
Repayment of Term Loans	(10,750,005)	(16,833,338)
Increase/(Decrease) in Working Capital Loans	19,258,924	7,754,654
Hire Purchase Loan	2,194,000	1,965,000
Repayment of Hire Purchase Loans	(668,991)	(546,720)
Dividend and Dividend Distribution Tax Paid	(2,242,052)	(3,193,706)
Interest Paid	<u>(17,480,899)</u>	<u>(16,331,387)</u>
Net Cash Outflow from Financing Activity (C)	<u>191,501,222</u>	<u>(27,185,497)</u>
Net Increase/(decrease) in Cash and Cash Equivalents during the Financial Year (A+B+C)	7,111,653	1,612,167
Add : Cash and Cash Equivalent at the beginning of the year	<u>7,912,536</u>	<u>6,300,369</u>
Cash and Cash Equivalent at the close of the year	<u>15,024,189</u>	<u>7,912,536</u>

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

Per our report of even date

For BRAHMAYYA & CO.,

Chartered Accountants

Firms' Regn No: 000513S

(K.S. Rao)

Partner

Membership No. 15850

Place: Nagpur

Date: 18th July, 2011

for and on behalf of the Board

VIRENDER KUMAR AGARWAL

Managing Director

SEEMA RANI AGARWAL

Joint Managing Director



SURYAAMBA SPINNING MILLS LIMITED

SURYAAMBA SPINNING MILLS LIMITED

Annexure "A" forming part of Schedule 21

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE AS AT 31ST MARCH 2011

I Registration Details

Registration No.

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

Balance Sheet Date

3	1	0	3	2	0	1	1
---	---	---	---	---	---	---	---

 State Code

0	1
---	---

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

Public Issue

			N	I	L
--	--	--	---	---	---

 Rights Issue

			N	I	L
--	--	--	---	---	---

Bonus Issue

			N	I	L
--	--	--	---	---	---

 Private placement (CRPS)

			N	I	L
--	--	--	---	---	---

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. thousands)

Total Liabilities

6	3	0	7	1	4
---	---	---	---	---	---

 Total Assets

6	3	0	7	1	4
---	---	---	---	---	---

Sources of Funds

Paid-up Capital

Equity Share Capital

	2	2	2	8	0
--	---	---	---	---	---

 Reserves & Surplus

2	1	4	4	2	1
---	---	---	---	---	---

Preference Share Capital

	5	6	4	9	1
--	---	---	---	---	---

 Secured Loans

2	8	8	8	0	7
---	---	---	---	---	---

Deferred Tax liability

	3	7	3	3	8
--	---	---	---	---	---

 Unsecured Loans

	1	1	3	7	7
--	---	---	---	---	---

Application of Funds

Net Fixed Assets

4	7	9	6	1	4
---	---	---	---	---	---

 Investments

			N	I	L
--	--	--	---	---	---

Net Current Assets

1	5	0	8	2	1
---	---	---	---	---	---

Accumulated Losses

			N	I	L
--	--	--	---	---	---

 Misc.Expenditure

			2	7	9
--	--	--	---	---	---

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

Turnover & Other Income

1	2	0	3	7	4	8
---	---	---	---	---	---	---

 Total Expenditure

1	1	3	5	9	7	0
---	---	---	---	---	---	---

Profit before Tax

	6	7	7	7	8
--	---	---	---	---	---

 Profit after Tax

		4	5	9	8	7
--	--	---	---	---	---	---

Earning per share in Rs

	2	0	.	5	6
--	---	---	---	---	---

 Equity Dividend rate %

					1	0
--	--	--	--	--	---	---

V. Generic Names of Three Principal Products/Services of Company (As per monetary terms)

Item Code No.(ITC Code) Product Description

5	5	0	9	0	2
---	---	---	---	---	---

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

5	5	0	9	0	1
---	---	---	---	---	---

V	I	S	C	O	S	E	Y	A	R	N
---	---	---	---	---	---	---	---	---	---	---

5	5	0	9	0	7
---	---	---	---	---	---

P	V	Y	A	R	N
---	---	---	---	---	---



ELECTRONIC CLEARING SERVICE (ECS) FOR PAYMENT OF DIVIDEND

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

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

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

Considering the benefits envisaged in ECS for payment of dividend, shareholders are advised to avail this facility. Securities and Exchange Board of India and the Ministry of Company Affairs, Government of India, have made it mandatory on the part of the Companies to offer ECS facility, wherever the said facility is available.

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

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



SURYAAMBA SPINNING MILLS LIMITED

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

M/s. Sathguru Management Consultants Private Limited,
(Unit: **SURYAAMBA SPINNING MILLS LIMITED**)
Plot No.15, Hindi Nagar, Panjagutta, Hyderabad- 500 034.

Shareholders authorization to receive dividends through Electronic Credit Clearing Mechanism.

Registered Folio No.

ECS Ref. No.:
(For office use only)

Name of the first / Sole Shareholder

Name of the Bank

Branch Address & Telephone No. of Branch

Bank Account Number(As appearing on the Cheque Books)

9 Digit code number of the Bank and Branch appearing on the MICR cheque, issued by the Bank.(Please attach a blank cancelled cheque or a photocopy(Xerox copy) of a Cheque issued to you by your bank, for verification of the above particulars.)

Account Type (Please tick the option)

Savings [] Current []

Account No. (As appearing on the Cheque Book)

Bank Account Ledger Folio No. (if any)

Effective date of this mandate.

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

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

Place:

Name of the First Holder:

Date:

Signature of the First Holder:

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

BANKER'S CERTIFICATION

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

Bankers Seal:

Signature of the Authorised
official of the Bank

Date:



Green Initiative in the Corporate Governance

Dear Shareholder,

The Ministry of Corporate Affairs (MCA) has taken a “Green Initiative in the Corporate Governance” by allowing paperless compliances by the Companies and has issued circular no. 17/2011 dated 21st April, 2011 and circular no. 18/2011 dated 29th April, 2011 allowing service of documents to shareholders through electronic mode by the Companies.

Your Company proposes to send documents such as Notice of the Annual General Meeting, Audited Financial Statements, Directors’ Report, Auditors’ Report, etc., and other future communications through electronic mode to the Shareholders whose e-mail addresses are available in the records of the Depository.

In view of above, shareholders are requested to register their e-mail address with the Company/RTA/ Depository by sending a request on or before 23rd September, 2011 either to the registered office of the Company or at e-mail address **samba.ngp@gmail.com** quoting full details of your DP ID, Client ID and name of sole/joint holder or with the concerned depository. You are also requested to keep your email address updated with the Company or concerned depository from time to time. Any shareholder who has not registered e-mail address, the service of documents will be affected by modes of service as provided under section 53 of the Companies Act, 1956.

Please note that you will be entitled to be furnished, free of cost, with a copy of the Balance Sheet of the Company Report etc. and other communications in physical form, upon receipt of a requisition, any time, from you as a Member of the Company. This request for a physical copy may please be sent either to the registered office of the company or at the email id **samba.ngp@gmail.com** quoting full details of your Folio No./DP ID, Client ID and name of sole/joint holder.

The above referred documents will also be available on the website of the Company at **www.suryaamba.com** from time to time. The copies of the documents as required under section 219 of the Companies Act, 1956 will also be available for inspection at the registered office of the Company during office hours.

We are sure, that you would appreciate this initiative of Ministry of Corporate Affairs and will whole-heartedly support the same.

In Case of Shareholding in Dematerialized form, you may send your e-mail id to the:
Depository Participant with whom your Demat Account is maintained.

In Case Shareholding is in Physical Mode, please send to:

M/s. Sathguru Management Consultants Private Limited
Plot No.15, Hindi Nagar, Panjagutta, Hyderabad-500 034.

Thanking you,
Yours faithfully,

**For Suryaamba Spinning Mills Limited
(Virender Kumar Agarwal)
Managing Director**

I/we do hereby authorize M/s. Suryaamba Spinning Mills Limited to send the documents to me on the below mentioned e-mail id in accordance with the aforesaid circular issued by the MCA.

1. Folio No./DP ID and Client ID : _____
2. Name of the sole/joint holder : _____
3. E-Mail ID : _____

Signature of the Member



NOTICE



ATTENDANCE SLIP

**4th Annual General Meeting
Suryaamba Spinning Mills Limited**

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

Date _____ **Venue** _____

Time _____

Name of the shareholder _____ Folio no. / DPID and Client ID no. _____ No. of shares _____

I certify that, I am a registered shareholder of the Company, hold above-mentioned shares in the Company, and hereby record my present at the 4th Annual General Meeting of the Company.

Member's/Proxy signature

Note: Shareholder/Proxy holder wishing to attend the meeting must bring the Admission Slip and hand over at the entrance duly signed.

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

PROXY FORM

**4th Annual General Meeting
Suryaamba Spinning Mills Limited**

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

Red. Folio no.: **No. of shares**

DP ID no. **Client ID no.**

I/We _____ of _____ being Member/Members of Suryaamba Spinning Mills Limited hereby appoint _____ of _____ as my/our proxy to attend and vote for me/us on my/our behalf at the 4th Annual General Meeting of the Company to be held on _____ at _____ a.m./p.m. at _____ (address) and at any adjournment thereof.

As witness my/our hand (s) this _____ day of _____ of 2011

Signed by the said _____

Affix 1 Rs.
Revenue
Stamp

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