

annual **report**
2013
2014



Suryaamba Spinning Mills Limited



Plant & Machinaries

Factory site
at Nagpur (Nayakund)

Factory site at Nagpur (Nayakund)



Shree Balaji Temple



BOARD OF DIRECTORS

1. Sri Virender Kumar Agarwal
2. Smt. Seema Rani Agarwal
3. Sri Mayank Agarwal
4. Sri Pundlik Sampatrao Thakare
5. Sri Amit Goela
6. Sri Pujit Agarwal

- Managing Director
 Joint Managing Director
 Executive Director
 Chairman & Independent Director
 Independent Director
 Non-Executive & Non-Independent Director

MANAGER (FINANCE & ACCOUNTS)

Sri Milind M. Bangre

REGISTERED OFFICE

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

AUDITORS

M/s. S.Venkatadri & Co., 1408,
 Babukhan Estate, Basheerbagh,
 Hyderabad-500001

REGISTRAR & TRANSFER AGENTS

M/s. Karvy Computershare Private Limited.
 Plot No. 17-24, Vittal Rao Nagar, Madhapur,
 Hyderabad - 500 081
 Phone No: 040-23420814
 Fax No: 040-23420818
 E-mail: einward.ris@karvy.com

BANKERS

State Bank of India
 Industrial Finance Branch,
 Hyderabad.

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

FACTORY

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

LISTED ON

Bombay Stock Exchange Limited, Mumbai

Book Closure Dates: from 07th August, 2014 to 09th August, 2014 (Both days inclusive).

COMMITTEES OF THE BOARD
AUDIT COMMITTEE

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

STAKEHOLDERS RELATIONSHIP COMMITTEE

(w.e.f. 30th May, 2014)

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

NOMINATION & REMUNERATION COMMITTEE

(w.e.f. 30th May, 2014)

- | | |
|----------------------------------|----------|
| 1. Sri Pundlik Sampatrao Thakare | Chairman |
| 2. Sri Amit Goela | Member |
| 3. Sri Pujit Agarwal | Member |

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Green Initiative

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

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

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

NOTICE

Notice is hereby given that 7th Annual General Meeting of the members of M/s. Suryaamba Spinning Mills Limited will be held on 09th August, 2014 at 04.00 P.M. at Kamat Lingapur Hotel, 1-10-44/2, Chikoti Gardens, Begumpet, Hyderabad-500016 to transact the following business:

Ordinary Business:

1. Adoption of Accounts:

To receive, consider and adopt the Audited Statement of Profit & Loss for the year ended 31st March 2014 and Balance Sheet as on that date and the Reports of the Auditors and Directors thereon.

2. To declare dividend on 8% Cumulative Redeemable Preference Shares (CRPS) for the financial year ended 31st March, 2014.

3. To declare dividend on Equity Shares for the financial year ended 31st March, 2014.

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 139 and other applicable provisions, if any, of the Companies Act, 2013, read with Companies (Audit & Auditors) Rules, 2014 M/s. S.Venkatadri & Co., Hyderabad (Registration No. 004614s) be and are hereby re-appointed as the 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. To consider and if thought fit to pass with or without modification (s) the following resolution as an Ordinary resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder, read with Schedule IV to the Act, as amended from time to time, Sri. Pundlik Sampatrao Thakare, (DIN 02066290), a non-executive Director of the Company and who retires by rotation and offered himself for reappointment and who has submitted a declaration that he meets the criteria for independence as provided in Section 149 (6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from 9th August, 2014 to 8th August, 2019."

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder, read with Schedule IV to the Act, as amended from time to time, Sri. Amit Goela, (DIN 01754804), a non-executive Director of the Company and who retires by rotation and offered himself for reappointment who has submitted a declaration that he meets the criteria for independence as provided in Section 149 (6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from 9th August, 2014 to 8th August, 2019."

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



"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V of the Companies Act, 2013 (corresponding to Sections 198, 269, 309 and any other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the Companies Act, 1956) and consent of the Members be and is hereby accorded to ratify the re-appointment of Sri. Virender Kumar Agarwal (DIN: 00013314) as Managing Director of the Company made for a period of three years with effect from 1st March, 2014 by the Board of Directors on following existing 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 (DIN: 00013314) 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 50% 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 to 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 (DIN: 00013314) subject to the provisions of section II of Part II of Schedule V of the Companies Act, 2013."

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

"RESOLVED THAT pursuant to the provisions of Section 196, 197, 198, 203 and other applicable provisions, if any of the Companies Act, 2013 read with schedule V and rules made thereunder as amended up to date, consent of the Members be and is hereby accorded for re-appointment of Smt. Seema Rani Agarwal as the Joint Managing Director of the Company for a further period of 3 years with effect from 01st October 2014 on the following existing terms and conditions:

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 to 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 V of the Companies Act, 2013".

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

"RESOLVED THAT in supersession to the Ordinary Resolution adopted at the Extra Ordinary General Meeting held on 28th February 2008 and pursuant to Section 180(1)(c) and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the members be and is hereby accorded to the Board of Directors to borrow moneys in excess of the aggregate of the paid up share capital and free reserves of the Company, provided that the total amount borrowed and outstanding at any point of time, apart from temporary loans obtained/to be obtained from the Company's Bankers in the ordinary course of business, shall not be in excess of Rs 200 Crores (Rupees Two Hundred Crores) over and above the aggregate of the paid up share capital and free reserves of the Company".

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

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

**Place : Nagpur
Date : 04.07.2014**



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. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
3. An explanatory statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto in respect of business set out under item no. 5, 6 7, 8 & 9.
4. The Registers of Members and Share transfer books will remain closed from Thursday, 7th August, 2014 to Saturday, 9th August, 2014 (both days Inclusive) for the purpose of Annual General Meeting.
5. Members are requested to notify immediately any change of address to their depository participants in respect of their holding in Electronic Form and to M/s Karvy Computershare (P) Ltd. Unit Suryaamba Spinning Mills Ltd. in respect of their Physical Folio, if any. Kindly update or provide your email id on mail@suryaamba.com in order to receive notice, Annual Reports of General Meetings in electronic Form.
6. 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.
7. Pursuant to Section 113 of Companies Act, 2013, 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.
8. 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.
9. 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.
10. The Notice of the AGM along with the Annual Report 2013-14 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
11. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with Karvy Computershare Private Limited.



12. The Annual report of the Company for the year 2013-14, is also uploaded on the Company's website: www.suryaamba.com.
13. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
14. In compliance with the provisions of Section 108 of the Companies Act, 2013 and the rules framed there under, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by Karvy Computershare Private Limited (KCPL), on all the resolutions set forth in the Notice.

The Instructions and other information relating to e-voting are as under:

A) In case a Member receives an e-mail from KCPL (for members whose e-mail addresses are registered with the Company/ Depositories):

- i. Launch internet browser by typing the URL:<https://evoting.karvy.com>
- ii. Enter the login credentials (i.e User Id and password mentioned overleaf). Your Folio No/DP -Client Id will be your User Id. However if you are already registered with the karvy for e-voting, you can use your existing User Id and password for casting your vote.
- iii. After entering these details appropriately, click on Login
- iv. You will now reach to password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum

of 8 characters with at least 1 upper case (A-Z), one lower case (a-z), one numeric (0-9), and a special character (@, #, \$ etc). The system will prompt you to change your password and update your contact details like mobile number, e-mail Id etc on first login. You may also enter a secret question and answer of your choice and retrieve your password. in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

- v. You need to login with the new credentials
- vi. On successful login, the system will prompt you to select the e-voting Event Number for Suryaamba Spinning Mills Limited.
- vii. On the voting page, enter the number of shares (which represents the number of votes) as on the cut off date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding as mentioned overleaf. You may also choose the option "ABSTAIN" and the shares held will not be counted under either head.
- viii. Members holding multiple folios/ demat accounts shall choose the voting process separately for each of the folios / demat accounts
- ix. Voting has to be done for each item of the Notice Separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained
- x. You may then cast your vote by selecting an appropriate option and click on "Submit"
- xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to

modify. Once you confirm you will not be allowed to modify your vote. During the voting period members can login any number of times till they have voted on the resolution(s).

- xii. Corporate / Institutional shareholders (i.e other than individuals, HUF, NRI etc) are also required to send scanned copy (PDF format) of the Board Resolution / Authority Letter, etc., together with attested specimen signature (s) of the duly authorized representatives(s) to the scrutinizer at e-mail Id : ramakrishna@rnacs.com They may also upload the same in the e-voting module in their login. The scanned image of the above mentioned documents should be in the naming format "Corporate Name - EventNo".

B) In case a Member receives physical copy of the Annual General Meeting Notice by post (for Members whose e-mail Id's are not registered with the company / depositories):

- i. User Id and initial password as provided overleaf.
- ii. Please follow all steps from S. No (i) to S. No (Xii) above, to cast vote.

Once the vote on a resolution is cast by a Member, the Member shall not be allowed to change it subsequently. Further the Members who have cast their vote electronically shall not be allowed to vote again at the Meeting.

In case of any query pertaining to e-voting, please visit help & FAQ's section available at Karvy's website <https://evoting.karvy.com>

The voting rights of Members shall be in proportion to the paid up value of their shares in the equity capital of the company as on cut off date (i.e record date) Friday, 4th July, 2014.

The Board of Directors have appointed Mr. R. Ramakrishna Gupta, Practicing Company

Secretary, Partner R& A Associates, Company Secretaries, Hyderabad (**Membership No. FCS 5523**) as the scrutinizer to scrutinize the e-voting process (including the ballot form received from the Members who do not have access to the e-voting process) in a fair and transparent manner.

The scrutinizer shall, within a period of not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a scrutinizers report of the votes cast in favour or against, if any, forthwith to the chairman of the Meeting.

The results on resolutions shall be declared at or after Annual General Meeting of the Company and the resolutions will be deemed to be passed on the Annual General Meeting date subject to the receipt of the requisite number of votes in favour of the resolutions.

The results declared along with the Scrutinizers report shall be placed on the Company's website www.suryaamba.com and on the website of Karvy <https://evoting.karvy.com> within two days of the passing of the resolutions at the 7th Annual General Meeting of the Company on or 11th August, 2014 and communicated to the Bombay Stock Exchange Limited, where the shares of the Company are Listed.

C) Other information :

- i. The e-voting period commences on Saturday, August 02, 2014 (09.00 A.M. IST) and ends on Monday, August 04, 2014 (06.00 P.M. IST) During this period members of the Company holding shares either in physical form or in dematerialized form, as on July 04, 2014 may cast their vote electronically. The e-voting module shall be disabled by KCPL for voting thereafter. Once the vote on a resolution is cast by the



Member, he shall not be allowed to change it subsequently.

- ii. Members who do not have access to e-voting facility may send duly completed ballot form (enclosed with the Annual Report) so as to reach the scrutinizer appointed by the Board of Directors of the Company, Mr. R. Ramakrishna Gupta, Practicing Company Secretary, (Membership FCS No : 5523) at the registered office of the Company not later

than Monday, August 04, 2014 (06.00 P.M. IST)

- iii. A Member can opt for only one mode of voting i.e either through e-voting or by ballot. If a Member casts votes by both modes, then voting done through e-voting shall prevail and ballot have to be treated as invalid
- iv. Members are requested to bring their copy of the Annual Report to the meeting.

Explanatory Statement

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

Item Nos. 5 & 6: Appointment of Independent Directors.

The Company had, pursuant to the provisions of clause 49 of the Listing Agreement entered with the Stock Exchange, appointed Sri. Amit Goela and Sri. Pundlik Sampatrao Thakare as Independent Directors at various times, in compliance with the requirements of the clause. Further, Sri. Pundlik Sampatrao Thakare retires by rotation and being eligible, offers himself for re-appointment.

Pursuant to the provisions of section 149 of the Companies Act, 2013, which came in to effect from April 1, 2014, every listed public company is required to have at least one-third of the total number of directors as independent directors, who are not liable to retire by rotation.

Sri. Amit Goela and Sri. Pundlik Sampatrao Thakare, non-executive directors of the Company, have given a declaration to the Board that they meet the criteria of independence as provided under section 149(6) of the Act. In the opinion of the Board, each of these directors fulfill the conditions specified in the Act and the Rules framed thereunder for appointment as Independent Director and they are independent of the management.

In compliance with the provisions of section 149 read with Schedule IV of the Act, the appointment of these directors as Independent Directors is now being placed before the Members for their approval.

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

None of the Directors of the Company except Sri. Amit Goela, Director and Sri. Pundlik Sampatrao Thakare, Director themselves are deemed to be concerned or interested, financial or otherwise, in the resolution set out at Item No. 5 & 6. None of the Key Managerial Personnel or relatives of Directors and Key Managerial Personnel are interested in the said resolution.

Item No.7: Re-appointment of Sri. Virender Kumar Agarwal (DIN: 00013314), as Managing Director of the Company.

The tenure of the office of Director of Sri. Virender Kumar Agarwal (DIN: 00013314), Managing Director of the Company has expired on 28th February, 2014. In respect to this, Board has proposed to re-appoint him subject to approval of members in their meeting held on 14th February, 2014 for a further period of 3 Years with effect from 1st March, 2014 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	:	47 years
Qualification	:	BE Textiles
Expertise	:	Sri Virender Kumar Agarwal is having the vast expertise of 25 years in the textile Industry. He is having hands of exposure on the Maintenance, Production, Quality Assurance and Marketing sectors.
Other Directorships	:	Nil
Shareholding in the Company	:	12,06,191 Equity shares of the Company.

The re-appointment of Sri Virender Kumar Agarwal (DIN: 00013314) as the Managing Director requires the approval of members in general meeting pursuant to Section 196, 197, 198, 203 and other applicable provisions, if any of the Companies Act, 2013 read with schedule V and rules made thereunder as amended upto date.

In view of the above the Board recommends the following resolution for your approval

Additional Disclosure about the appointee as per Schedule V of the Companies Act, 2013 and Schedule XIII Part II of the Companies Act, 1956:

I General Information

1. Nature of industry

Suryaamba Spinning Mills is basically into the manufacturing of Synthetic blended yarns of Polyester/Viscose. Currently Company has one ISO certified manufacturing unit with a total capacity of 33,120 spindles. Indian textile Industry is one of the leading textile industries in the world.

2. Date of commencement of commercial production

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

3. Financial performance:

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

(₹ in Lakhs)

Item	2012-13 (12 months ended on 31st March, 2013)	2011-12 (12 months ended on 31st March, 2012)	2010-11 (12 months ended on 31st March, 2011)
Income from Operations(Gross)	13518.98	10223.50	12037.49
Profit/Loss Before Interest, Depreciation & tax	1050.80	(44.45)	1142.82
Profit /Loss after Tax	207.28	(605.70)	459.88

4. Export performance and net foreign exchange earnings

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

Item	2012-13	2011-12	2010-11
FOB value of goods exported	Nil	110.89	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 is having the vast expertise of 25 years in the textile Industry. He is having hands of exposure on the Maintenance, Production, Quality Assurance and Marketing sectors..

2. Present remuneration

Presently he is drawing the following remuneration: (Amount in ₹)

Salary	Perquisites	Contribution to PF	Total
16,80,000	11,19,888	2,01,600	30,01,488

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 Sadbhavana 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 the entire Company since its incorporation. 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.

5. Remuneration proposed:

His remuneration is same as before.

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, (DIN: 01430206) Sri. Mayank Kumar Agarwal, Whole Time Director (DIN: 02749089) of the Company, and 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 suffered a major setback due to fall in price margins and increase in the cost of raw material and hence Company could not perform well.

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. Mayank Agarwal, Whole time Director himself, Sri. Virender Kumar Agarwal, Managing Director, (himself) Smt. Seema Rani Agarwal, Joint Managing Director and Sri. Pujit Agarwal, Director being his relatives are interested in the said resolution.

Item No.8: Re-appointment of Smt. Seema Rani Agarwal (DIN: 01430206), as Joint Managing Director of the Company

The existing tenure of Smt. Seema Rani Agarwal, Jt. Managing Director expires on 30th September, 2014. Board has proposed to re-appoint her in the ensuing Annual General Meeting to be held on 9th August, 2014 for a further period of 3 Years with effect from 1st October, 2014 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 (DIN: 01430206)
Age	:	46 years
Qualification	:	Bachelor of Arts
Expertise	:	Smt. Seema Rani Agarwal is having the experience of 13 years in the textile Industry. She has having hands on managing the external affairs of the Company.
Other Directorships	:	Nil
Shareholding in the Company	:	6,42,250 Equity shares of the Company.

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 196, 197, 198, 203 and other applicable provisions, if any of the Companies Act, 2013 read with schedule V and rules made thereunder as amended upto date.

Additional Disclosure about the appointee as per Schedule V of the Companies Act, 2013 and Schedule XIII Part II of the Companies Act, 1956:

I. General Information

1. Nature of industry

Suryaamba Spinning Mills is basically into the manufacturing of Synthetic blended yarns of Polyester/Viscose. Currently Company has one ISO certified manufacturing unit with a total capacity of 33,120 spindles. Indian textile Industry is one of the leading textile industries in the world.

2. Date of commencement of commercial production

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

3. Financial performance:

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

Item	2012-13 (12 months ended on 31st March, 2013)	2011-12 (12 months ended on 31st March, 2012)	2010-11 (12 months ended on 31st March, 2011)
Income from Operations(Gross)	13518.98	10223.50	12037.49
Profit/Loss Before Interest, Depreciation & tax	1050.80	(44.45)	1142.82
Profit /Loss after Tax	207.28	(605.70)	459.88

4. Export performance and net foreign exchange earnings

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

Item	2012-13	2011-12	2010-11
FOB value of goods exported	Nil	110.89	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 13 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 and is servicing the Company till date with high spirit and enthusiasm.

2. Present remuneration

Presently he is drawing the following remuneration: (Amount in ₹)

Salary	Perquisites	Contribution to PF	Total
14,40,000	8,15,904	1,72,800	24,28,704

3. Recognition or awards

Nil

4. Job profile and his 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:

Her remuneration is same as before.

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 Sri. Virender Kumar Agarwal, Managing Director, (DIN: 00013314) Sri. Mayank Agarwal, Whole Time Director (DIN: 02749089) and Sri. Pujit Agarwal, Member of the Company, and 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 suffered a major setback due to fall in price margins and increase in the cost of raw material and hence Company could not perform well.

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. Mayank Agarwal, Whole time Director himself, Sri. Virender Kumar Agarwal, Managing Director, Smt. Seema Rani Agarwal, Joint Managing Director (herself) and Sri. Pujit Agarwal, Director being her relatives are interested in the said resolution.

Item Nos.9: Sanction of borrowing limits upto Rs 200 Crores under section 180 (1) (c) of the Companies Act, 2013.

The members of the Company at their Extra Ordinary General Meeting held on 27th February, 2008 approved by way of an Ordinary Resolution under Section 293(1)(d) of the Companies Act, 1956 borrowings over and above the aggregate of paid up share capital and free reserves of the Company provided that the total amount of such borrowings together with the amounts already borrowed and outstanding at any point of time shall not be in excess of Rs 200 Crores (Rupees two hundred crores).

Section 180(1)(c) of the Companies Act, 2013 effective from 12th September, 2013 requires that the Board of Directors shall not borrow money in excess of the company's paid up share capital and free reserves, apart from temporary loans obtained from the company's bankers in the ordinary course of business, except with the consent of the company accorded by way of a special resolution.

It is therefore, necessary for the members to pass a Special Resolution under Section 180(1)(c) and other applicable provisions of the Companies Act, 2013, as set out at Item No. 9 of the Notice, to enable to the Board of Directors to borrow money in excess of the aggregate of the paid up share capital and free reserves of the Company. Approval of members is being sought to borrow money upto 200 Crores (Rupees Two Hundred Crores) in excess of the aggregate of the paid up share capital and free reserves of the Company.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No.9.

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

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

**Place : Nagpur
Date : 04.07.2014**

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

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

1. Name	:	Sri. Virender Kumar Agarwal (DIN: 00013314)
Age	:	47 years
Qualification	:	BE Textiles
Expertise	:	Sri Virender Kumar Agarwal is having the vast expertise of 25 years in the textile Industry. He is having hands of exposure on the Maintenance, Production, Quality Assurance and Marketing sectors.
Other Directorships	:	Nil
Shareholding in the Company	:	12,06,191 Equity shares of the Company.

2. Name	:	Smt. Seema Rani Agarwal (DIN: 01430206)
Age	:	46 years
Qualification	:	Bachelor of Arts
Expertise	:	Smt. Seema Rani Agarwal is having the experience of 13 years in the textile Industry. She has having hands on managing the external affairs of the Company.
Other Directorships	:	Nil
Shareholding in the Company	:	6,42,250 Equity shares of the Company.

3. Name	:	Sri. Amit Goela (01754804)
Age	:	49 years
Qualification	:	MBA(University of Florida)
Expertise	:	He is a partner & Research Head in Rare Enterprises (Portfolio Managers), Mumbai since 10 years.
Other Directorships	:	4
Shareholding in the Company	:	Nil

**SURYAAMBA SPINNING MILLS LIMITED**

4. Name	:	Sri. Pundlik Sampatrao Thakare (02066290)
Age	:	64 years
Qualification	:	Chartered Accountant
Expertise	:	Sri. Pundlik Sampatrao Thakare is a practicing Chartered Accountant at Nagpur having vast experience of 37 years in the field of Accounts and Finance.
Other Directorships	:	Nil
Shareholding in the Company	:	Nil

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

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

**Place : Nagpur
Date : 04.07.2014**

DIRECTORS REPORT

Dear shareholders,

2013 was a tough year for the global economy and India in particular. Low customer sentiments coupled with rising interest rates to curb liquidity created severe cash crunch in the industrial sector. Additionally, the growing volatility in the rupee for the year created a very uncertain atmosphere in the economy. Despite the huge fluctuation in raw material prices and availability, your firm is pleased to announce an increase in the turnover by 17.8%. Your firm has taken several cost rationalization initiatives to strengthen the bottom-line in the next financial year.

- ⦿ Implementation of ERP - After 2 years of rigorous grubwork, we are pleased to announce success in the process of implementation of the system throughout the entire process of the company. This initiative is expected to exponentially increase transparency and accountability in the system and should increasingly benefit the firm in the years to come.
- ⦿ Expanding value added basket - During the year, we have increasingly increased our focus on creating a wider portfolio of products. We have successfully added eco-friendly, anti-bacterial, flame retardants, micro deniers, optical white, reverse twist and eli twist yarns to our range of existing products. We wish to leverage this portfolio of products to strategically enhance profitability in the future.
- ⦿ Growing market presence - We have been increasingly concentrating on increasing market share across both domestic and international markets. We have been able to accomplish this by understanding the demographics of every market and creating a competitive marketing strategy through product differentiation and cost competitiveness. As a result, we have been successfully able to increase brand awareness and market share in the targeted markets.
- ⦿ Customer centricity - We have started taking a more customer centric approach to marketing. Sales team are increasingly working directly with both domestic and export customers to understand their new product development needs and collaborate with them to develop new yarns in-house. This has helped us form excellent associations with our customers and our customer retention rates continue to stay abnormally high. Continuous interaction between the marketing and production team has helped us to strategically align our operational strategy to our marketing strategy, thereby creating synergies in cost realisation..
- ⦿ Continuous Improvement Plan - We have exponentially increased class room training hours for both workers and supervisors to create awareness about the principle of Kaizen. This bottom-up approach to improvement has already started reaping fruits in terms of floor-level cost savings and has assisted us creating a very positive environment at work.

Your Directors have pleasure in presenting their 7th Annual Report on the Business and operations together with Audited Annual accounts of your Company for the financial year ended 31st March, 2014.

Financial Results

(₹ In Lakhs)

S. No.	Particulars	2013-14	2012-13
1.	Sales and other Income	15836.68	13518.98
2.	Profit Before interest and Depreciation	1069.58	1050.80
3.	Interest and Finance Charges	459.27	473.84
4.	Depreciation	276.46	285.36
5.	Profit after Interest and Depreciation	333.85	291.60
	Provision for Taxation: -		
6.	(a) Current Tax	72.79	63.48
7.	(b) Deferred Tax	182.94	20.84
8.	(c) MAT Credit Entitlement	(136.27)	-
9.	Balance of Profit (or Loss)	214.39	207.28
	Appropriations		
10.	Transfer to General Reserve	0.50	0.50
11.	Dividend on Equity Share	24.82	23.52
12.	Dividend on Preference Share	61.84	93.24
13.	Dividend Tax	14.73	19.84
14.	Surplus carried over to Balance Sheet	180.10	67.62

Operations:

During the year, your company has achieved a Total turnover of ₹ 15836.68 Lakhs as compared to ₹ 13,446.02 Lakhs registering a growth of 17.78% over the previous year. The company's revenue from operations grew by 16.31% where as it's other income experienced an exuberant growth of 170.53%. The company has earned a Profit before tax of ₹ 333.85 Lakhs for 2013-2014(as compared to 291.60 Lakhs) registering a percentage increase of 14% over the previous year. Due to a dramatic increase in the deferred tax liability (a non cash expense), the firm booked a net profit of ₹ 214.39 Lakhs for 2013-2014(as compared to ₹ 207.28) registering an adequate growth of 3.43 % over the previous year. The excess volatility in the Indian rupee played a key role as it increased the volatility of our COGS, your company was able to use this excess volatility to it's advantage

Exports

The export turnover of your company during the year was ₹ 1864.56 Lakhs as compared to ₹ 1066.96 Lakhs registering a 74.8 % increase over the previous year. Your company has been exporting yarn to various countries like Brazil, USA, Singapore, Argentina, Portugal and continue to explore new markets to improve performance. Your company looks to carry on the trend of increasing export in the coming years. Your company wishes to channelize the trend of increasing exports by increasing the contribution of direct exports to the overall export figure.

Future Outlook

The per capita polyester consumption is found to be 2.6kg compared to the world average of 6.8kg. Polyester consumption also witnessed a marginal increase of 2% in the overall domestic fiber

consumption stats, and was seen eating into the share of other man-made fibres. Being dubbed as the poor man's cloth, this trend is expected to continue with the growing population and will exponentially increase with the increase in the GDP growth. The new majoritarian-government will play an incrementally crucial role in bringing back consumer confidence in the economy. We expect this increase in consumer confidence to bring about an upsurge in domestic demand. Though, it might lead to an appreciated rupee which would hurt us in the short- term, we do expect that a stable - growth oriented government, with a stable currency are going to have a positive impact on the industry as a whole. We expect the new government bringing about favorable reforms for the textile sectors. We aim to capitalize on these future reforms by having a strong liquidity position, so we can capitalize on each and every opportunity the market generates by drastically expanding and diversifying our product base as to cater a larger audience. We aim to use retained earnings, preferred stock and debt as our main source of funding for our future growth plans. Last but not the least, your company believes that the competition in the emerging markets will be met by improving our systematic efficiency, which will lead to a better cost rationalization, higher productivity, quality assurance and product differentiation.

Expansion Plan

The company aims to increase spindle capacity by 10,512 spindles with a capital expenditure of 30cr and plans to complete the expansion within 6 months. This facility is expected to be fully operational from January'15. It plans to fund this capex by using an eclectic mix of promoter's equity, retained earnings and debt to ensure sustainable growth for the company in the future. This expansion will bring tremendous economies of scale and substantially increase the bottom-line of the company.

Deposits

There were no overdue deposits as on 31st March 2014.

Dividend

Your Directors have recommended payment of dividend on 8% cumulative Redeemable preference shares as per the terms and conditions of the issue. The dividend will absorb a sum of ₹ 61, 84,000. Your Directors are pleased to recommend a dividend of 10% on the Equity Share Capital of the Company for the financial year ended 31st March, 2014. The dividend will absorb a sum of ₹ 29,31,944.

The Corporate dividend tax levied will be ₹ 15,49,225.

Transfer to Reserves

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

Directors

During the year, Board has re-appointed Sri Virender Kumar Agarwal, as Managing Director of the company for a further period of 3 years with effect from 1st March, 2014. Board of Directors recommends his re-appointment.

In the ensuing Annual General Meeting, the Board recommends the re-appointment of Smt. Seema Rani Agarwal as Joint Managing Director of the Company, for a further period of three years w.e.f from 1st October, 2014.

Further the Board of Directors proposes to appoint all the existing Independent Director i.e Sri Amit Goela and Sri Pundlik Sampatrao Thakare under Section 149 of the Companies Act, 2013 so that they can act as Independent Directors of the Company for two terms of 5 years each from the ensuing Annual General Meeting.

Directors Responsibility Statement

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

1. In the preparation of annual accounts for the year ended 31st March 2014, 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 judgements 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, 2014 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, 2014 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 travellers near to the factory premises.

Auditors

M/s S. Venkatadri & Co., Chartered Accountants, Hyderabad have expressed their willingness to continue in office until conclusion of the next Annual General Meeting at a remuneration to be fixed by the Board of Directors.

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 2014.

Cost Auditor

The Cost Audit report for the financial year 2013-14, shall be submitted to the Central Government within the stipulated time. Further, your company is not required to appoint Cost Auditors for the financial year 2014-2015 as prescribed under the Companies Act, 2013 and rule made there under.

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.

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.

Acknowledgement

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

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

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

**Seema Rani Agarwal
(Jt. Managing Director)
(DIN : 01430206)**

**Place : Nagpur
Date : 04.07.2014**

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
1. 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 and also the Company opting for maximum benefits offered by electricity supplier as incentives.

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

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

(₹ In Lakhs)

Sr. No.	Particulars	2013-14	2012-13
A	Power and Fuel Consumption		
1)	Electricity		
	a) Purchased Unit	19352042	17966040
	Total Amount (₹ In Lakhs)	1246.15	1147.08
	Average Rate: (₹/Unit)	6.44	6.38
	b) Own Generation:		
	Through Diesel Generators	Nil	Nil
	Units (In Lakhs of KWH)	Nil	Nil
	Units per liter of diesel oil	Nil	Nil
2)	Coal (₹ In Lakhs)	Not Used	Not Used
3)	Furnace Oil	Not Used	Not Used
4)	Others	Not Used	Not Used
B	Consumption per Unit of Production		
	Electricity (Units /kg of yarn)	1.90	1.99
	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	:	The company is having good R & D introduction by company 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	:	The company has adapted indigenous technology absorption and innovation 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

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

(₹ in Lakhs)

		2013-14	2012-13
(i)	Foreign Exchange earned	Nil	Nil
	FOB value of exports	91.66	Nil
(ii)	Foreign Exchange used	Nil	Nil
	Import of capital goods	Nil	Nil
	Foreign travel	Nil	Nil
	Commission on export sales	Nil	Nil
	Raw Materials	Nil	Nil
	Spares	Nil	11.95

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

Virender Kumar Agarwal
(Managing Director)
(DIN : 0001331)

Seema Rani Agarwal
(Jt. Managing Director)
(DIN : 01430206)

Place : Nagpur
Date : 04.07.2014

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 33,120 spindles. The unit is located at Mouza-Nayakund in the state of Maharashtra which is ISO certified. The unit has an installed capacity of 33,120 spindles with a production capacity of 34MTs per day.

INDUSTRY STRUCTURE AND DEVELOPMENT

India is the one of the world's largest producers of textiles and garments. Abundant availability of raw materials such as cotton, wool, silk and jute as well as skilled workforce have made the country a sourcing hub. It is the world's second largest producer of textiles and garments. The Indian textiles industry accounts for about 24 per cent of the world's spindle capacity and 8 per cent of global rotor capacity. The potential size of the Indian textiles and apparel industry is expected to reach US\$ 223 billion by 2021, according to a report by Technopak Advisors.

The textiles industry has made a major contribution to the national economy in terms of direct and indirect employment generation and net foreign exchange earnings. The sector contributes about 14 per cent to industrial production, 4 per cent to the gross domestic product (GDP), and 27 per cent to the country's foreign exchange inflows. It provides direct employment to over 45 million people. The textiles sector is the second largest provider of employment after agriculture. Thus, the growth and all round development of this industry has a direct bearing on the improvement of the India's economy.

Market Size

The Indian textiles industry is set for strong growth, buoyed by strong domestic consumption as well as export demand.

The most significant change in the Indian textiles industry has been the advent of man-made fibres (MMF). India has successfully placed its innovative range of MMF textiles in almost all the countries across the globe. MMF production recorded an increase of 10 per cent and filament yarn production grew by 6 per cent in the month of February 2014. MMF production increased by about 4 per cent during the period April 2013-February 2014.

Cotton yarn production increased by about 10 per cent during February 2014 and by about 10 per cent during April 2013-February 2014. Blended and 100 per cent non-cotton yarn production increased by 6 per cent during February 2014 and by 8 per cent during the period April 2013-February 2014.

Cloth production by mill sector registered a growth of 9 per cent in the month of February 2014 and of 6 per cent during April 2013-February 2014.

Cloth production by power loom and hosiery increased by 2 per cent and 9 per cent, respectively, during February 2014. The total cloth production grew by 4 per cent during February 2014 and by 3 per cent during the period April 2013-February 2014.

Textiles exports stood at US\$ 28.53 billion during April 2013-January 2014 as compared to US\$ 24.90 billion during the corresponding period of the previous year, registering a growth of 14.58 per cent. Garment exports from India is expected to touch US\$ 60 billion over the next three years, with the help of government support, said Dr A Sakthivel, Chairman, Apparel Export Promotion Council (AEPC).

Impact of Union Budget 2014-15 on the Company

The Budget 2014-15, has provided new incentives and continued with existing incentives for the textiles industry. Textile sector fared well in this budget and successful schemes are being continued into the 12th Five Year Plan Period ending on March 31, 2017.

Highlights of Budget:

- This budget provides for allocation of Rs. 55 Crores towards Yarn Supply Scheme. New Handloom Schemes and other Handicraft Schemes directing funds towards provision for Design and Technology Upgradation, Baba Saheb Ambedkar Hastshilp Vikas Yojana, Marketing and Support Service, Integrated Development package for J&K, Marketing Support and Services Scheme will also include interventions relating to marketing support for export promotion.
- Export Promotion, Brand Promotion and Technological Up gradation by ISEPC & SMOI: A 'Design Bank' and a National Market Information Service on Silk and Silk Products (NMISS) will be established to innovate, standardize and disseminate the silk processing technologies.
- Technology Up-gradation Fund Scheme (TUFS): The Scheme provides for reimbursement of 5% out of interest actually charged by the lending agencies for facilitating investment in modernization of Textiles Jute Industries.
- Scheme for Integrated Textile Parks (SITP): The Scheme for Integrated Textile Parks(SITP) has been launched by merging the Apparel Textile Parks and Upgrading Infrastructure facilities of Textile growth centers. One of the main purposes of introducing the SITP is to provide the Industry with world class infrastructure facilities for

setting up their Textile Units.

With the continuation of successful support schemes such as TUF and SITP, one hopes India's global share in the textile market will substantially improves. Funds have also been allocated for the National Skill Development Corporation for technical skill up gradation.

Specifically, incentives for the apparel sector to tackle technology, weak-links and pollution issues are favourable aspects in the budget. The textile industry is appreciative of the optional route in the central excise duty provided to branded garments and made-ups. One can state that this support will provide a level playing field for the textile value-chain and will make domestic textile industry to be competitive against low wage countries.

India employees about 100 million people in various forms related to the textile industry. This number is about 1/3rd of the total population of the United States. Owing to the employment and revenue generation, India has a cabinet level ministry for the textile sector.

SWOT Analysis:

Strengths: Our strengths are,

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

Weaknesses

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

Opportunities

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

Threats

- ⦿ Tough competition from the top domestic market players of the industry.
- ⦿ Threat of cheap Chinese import of yarn in Indian as well as global market.
- ⦿ Raw materials constitute a significant percentage of the Company's total expenses. However, this is common for any spinning unit.
- ⦿ The decline in the TUFs assistance is negative for the textile Industry.

RISKS AND CONCERNS

In 2013-14, 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

During the year under review, the Textile Industry has performed reasonably well in comparison to the performance of the previous year. The economic

recovery in USA and European Union, has given a hope that Indian Textile Industry is set for strong export growth. Besides the increasing level of income in the country is also likely to push domestic consumption, which gives good results for the Industry. The India's inherent advantages in the form of abundant availability of raw material, India being the second largest producer of raw cotton in the world, skilled workforce and relatively low labour costs had enabled the Textile Industry to serve as a sourcing hub for the reputed International Brands.

We are looking at the future with optimism and hope that the recovery in the economies of USA and European Union will propel the growth of the Textile Industry. We also expect that the Government through its policies will take further suitable remedial measures to strengthen the hands of the Textile Industry, so that it can compete globally and increase its share in the global Markets. There is a substantial scope for further growth in these segments. Your Company believes that the competition in the emerging markets will be met by developing production systems based on cost efficiency, high productivity, quality assurance, etc.,

INTERNAL CONTROLS AND THEIR ADEQUACY

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

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



**HUMAN RESOURCE DEVELOPMENT
AND INDUSTRIAL RELATIONS**

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

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

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

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

2. BOARD OF DIRECTORS

Composition, category of Directors and attendance record for the year 2013-2014:

The Board of Directors along with its Committees provides leadership and guidance to the company's management and directs, supervises and controls the performance of the Company. The Board comprises a combination of Executive and Non Executive Directors. In the financial year, the board consists of 6 Directors out of which 3 were Executive Directors, 2 are Non-executive Independent Directors and 1 Non Executive Director. The Non Executive Directors bring independent views and judgment in the decision making process of the Board.

Constitution of the Board and participation of Directors at meetings of the Board during the year 2013-14.

Name of the Director	Category	Board meetings Attended	Attendance at last AGM held on 11.09.2013
Sri Pundlik Sampatrao Thakare	Non-Executive/ Independent	7	Yes
Sri Amit Goela	Non-Executive/ Independent	4	Not present
Sri Virender Kumar Agarwal	Executive/Promoter	7	Yes
Smt Seema Rani Agarwal	Executive/Promoter	7	Not present
Sri Mayank Agarwal	Executive/Promoter	7	Yes
Sri Pujit Agarwal	Non-Executive/ Non-Independent	3	Not present

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

Name of the Director	Other Directorships	Committee Membership	Committee Chairmanship
Sri Pundlik Sampatrao Thakare	Nil	Nil	Nil
Sri Amit Goela	4	Nil	Nil
Sri Virender Kumar Agarwal	Nil	Nil	Nil
Smt Seema Rani Agarwal	Nil	Nil	Nil
Sri Mayank Agarwal	Nil	Nil	Nil
Sri Pujit Agarwal*	Nil	Nil	Nil

*Sri Pujit Agarwal, had resigned from the office of Director w.e.f. 04th July, 2014

Number of Board meetings held and their dates:

During the period under review the Board of Directors duly met Seven (7) times respectively on 25th May, 2013, 05th July, 2013, 6th August, 2013, 30th August, 2013, 31st October, 2013, 14th February, 2014 and 31st March, 2014. The maximum time-gap between any two consecutive meetings did not exceed four months.

Re-appointment of Retiring Directors:

In accordance with the Articles of Association of the Company, Sri Pundlik Sampatrao Thakare, Director of the Company will retire at the ensuing 7th Annual General Meeting of the Company and, being eligible, offer himself for re-appointment.

Brief Resume of Director seeking re-appointment
Sri Pundlik Sampatrao Thakare

Sri Pundlik Sampatrao Thakare is a practicing Chartered Accountant at Nagpur having vast experience of 35 years in the field of accounts & finance, he is not holding any Directorship in other Companies. He is not holding any shares in the company

Sri Virender Kumar Agarwal

Sri Virender Kumar Agarwal is having the vast expertise of 25 years in the textile Industry. He is having hands of exposure on the Maintenance, Production, Quality Assurance and Marketing sectors.

Smt. Seema Rani Agarwal

Smt. Seema Rani Agarwal is having the experience of 13 years in the textile Industry. She has hands on experience in managing the external affairs of the Company.

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 Amit Goela	Member
3.	Smt. Seema Rani Agarwal	Member

c) Meetings and Attendance during the year:

During the year under review, four Audit Committee meetings were held on 30th May, 2013, 6th August, 2013, 31st October, 2013 and 14th February, 2014. 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.	Smt. Seema Rani Agarwal	4
3.	Sri Amit Goela	4

4. Remuneration committee (re-named as Nomination & Remuneration Committee w.e.f. 30th May, 2014):

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	Category	Designation
1.	Sri Pundlik Sampatrao Thakare	Non-Executive Independent	Chairman
2.	Sri Amit Goela	Non-Executive Independent	Member
3.	Sri Pujit Agarwal	Non-Executive/NonIndependent	Member

c) Attendance during the year:

During the year under review, One Remuneration Committee meeting was held on 14th February, 2014. The attendance of each member of the Committee is given below:

Sl. No.	Name	No. of Meetings attended
1.	Sri Pundlik Sampatrao Thakare	1
2.	Sri Amit Goela	1
3.	Sri Pujit Agarwal	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 2013-2014 is given below:

Sri. Virender Kumar Agarwal - Managing Director			
Salary (₹)	Perquisites (₹)	Contribution to PF (₹)	Total (₹)
16,80,000	11,19,888	2,01,600	30,01,488
Smt. Seema Rani Agarwal - Joint Managing Director			
Salary (₹)	Perquisites (₹)	Contribution to PF (₹)	Total (₹)
14,40,000	8,15,904	1,72,800	24,28,704
Sri. Mayank Agarwal - Whole time Director			
Salary (₹)	Perquisites (₹)	Contribution to PF (₹)	Total (₹)
11,40,000	6,45,936	1,36,800	19,22,736

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 2013-2014 is given below:

S.No	Name of the Director	Sitting Fees paid for Board Meeting (In ₹)	Sitting Fees paid for Audit Committee Meeting(In ₹)
1.	Sri Pundlik Sampatrao Thakare	14,000	8,000
2.	Sri Amit Goela	8,000	8,000
3.	Sri Pujit Agarwal	Nil	Nil

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

5. SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE(re-named as Stakeholders Relationship Committee w.e.f. 30th May, 2014)

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:

S.No.	Name	Category	Designation
1.	Sri Pundlik Sampatrao Thakare	Non-Executive Independent	Chairman
2.	Sri Amit Goela	Non-Executive Independent	Member
3.	Smt Seema Rani Agarwal	Executive/Promoter	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:

5 Complaints were received by the Company during the year.

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

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
2010-11	23.09.2011	Kamat Lingapur Hotel, 1-10-44/2, Chikoti Gardens, Begumpet, Hyderabad - 500016	5.00 P.M.
2011-12	04.08.2012	Kamat Lingapur Hotel, 1-10-44/2, Chikoti Gardens, Begumpet, Hyderabad - 500016	5.30 P.M.
2012-13	11.09.2013	Kamat Lingapur Hotel, 1-10-44/2, Chikoti Gardens, Begumpet, Hyderabad - 500016	2.30 P.M.

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

Date	No. of Special Resolutions Passed	Particulars of the Special Resolution
23.09.2011	5	<ol style="list-style-type: none"> 1. Re-appointment of Sri Virender Kumar Agarwal as Managing Director of the Company and to fix his remuneration. 2. Re-appointment of Smt.Scema Rani Agarwal as Managing Director of the Company with a designation of Joint Managing Director and to fix his remuneration 3. Revision of Remuneration of Sri Mayank Agarwal Whole-Time Director of the Company. 4. Alteration of Articles Association of the Company for increase in Authorised capital from ₹ 13,00,00,000/- to 20,00,00,000/- 5. Further Issue of Preference Shares of the Company
04.08.2012	Nil	Nil
11.09.2013	1	Re-appointment of Sri. Mayank Agarwal as Whole-time Director of the Company

c) Whether special resolutions were put through postal ballot last year: No

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

d) Person who conducted the postal ballot exercise: Not Applicable
e) Whether any resolution is proposed to be conducted through postal ballot: NIL
f) Procedure for postal ballot: Not Applicable
7. DISCLOSURES:
a) CEO and CFO Certificate

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

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

There were no materially significant related party transactions having potential conflict with the interests of the company at large. Transactions with related parties are disclosed in Note No. 32 of Notes to the financial statements.

- 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 2013-14, no person has denied access to the audit committee. We would like to bring to your kind notice that for the Financial Year 2014-15, the Board of Directors has framed a policy for Vigil Mechanism pursuant to Section 177 of Companies Act, 2013.
- e) The Company has fulfilled the following non-mandatory requirements as prescribed in Annexure ID to clause 49 of the Listing Agreement with the Stock Exchanges:
- f) 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 Business Standard (English Daily) and Andhra Prabha/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		
	a) Date	:	09th August, 2014
	b) Time	:	4.00 p.m.
	c) Venue	:	Kamat Lingapur Hotel, 1-10-44/2, Chikoti Gardens, Begumpet, Hyderabad- 500016
b)	Financial Calendar	:	1st April 2013 to 31st March 2014
c)	Date of Book closure	:	07th August, 2014 to 09th August, 2014 (both days inclusive)
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

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 2014 are furnished hereunder:

Month	Bombay Stock Exchange	
	High (₹)	Low (₹)
April, 2013	29.00	24.00
May, 2013	29.00	22.60
June, 2013	31.75	27.55
July, 2013	35.00	28.70
August, 2013	36.75	30.05
September, 2013	35.00	31.00
October, 2013	33.30	33.30
November, 2013	31.65	24.75
December, 2013	28.45	27.00
January, 2014	29.00	24.80
February, 2014	27.80	22.05
March, 2014	28.40	23.95

g) Registrar & Transfer Agents:

M/s. Karvy Computershare Private Limited
Plot No.17-24, Vittal Rao Nagar, Madhapur,
Hyderabad- 500 081.
Phone No. 040-23420818, Fax No.040-23420814
E-Mail: einward.ris@karvy.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 M/s. Karvy Computershare Private Limited, Hyderabad, who look after shares transfers and other related works.

The Company ensures that all transfers are affected within stipulated time period from the date of their lodgement with the Company.

In terms of SEBI circular No. D&CC/FITTC/CR-16 dated 31-12.2002, Secretarial Audit will conduct on 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:

a) Shareholding pattern as on 31st March 2014

S.No	Category	No. of Shares held	Percentage of shareholding
1.	BANKS	870	0.03
	CLEARING MEMBERS	4	0.00
2.	HUF	21760	0.87
3.	BODIES CORPORATES	68218	2.75
4.	MUTUAL FUNDS	64	0.00
5.	NON RESIDENT INDIANS	24283	0.97
6.	PROMOTER INDIVIDUALS	1686832	67.96
7.	RESIDENT INDIVIDUALS	679969	27.39
	Total	2482000	100

** The Company has allotted 1,30,000 shares on 31st March, 2014 upon conversion of warrants issued on 6th March, 2013 for which the listing application has been made to BSE. The listing & trading approval is awaited.

b) Distribution of Shareholding as on 31st March 2014

Share of Debenture Holding of Nominal Value of	Share/Debenture Holders		Share/Debenture Amount	
	Number	% to Total	In ₹	% to Total
₹	(2)	(3)	(4)	(5)
Upto -5,000	2967	92.60	2788090.00	11.23
5,001- 10,000	113	3.53	860770.00	3.47
10,001- 20,000	61	1.90	905700.00	3.65
20,001 - 30,000	17	0.53	436260.00	1.76
30,001- 40,000	17	0.53	605710.00	2.44
40,001- 50,000	6	0.19	283750.00	1.14
50,001 - 1,00,000	12	0.37	1028910.00	4.15
1,00,001 and above	11	0.34	17910810.00	72.16
TOTAL	3204	100.00	24820000.00	100.00



SURYAAMBA SPINNING MILLS LIMITED

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).

k) Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on Equity: Not Applicable

l) Plant Locations:

Mouza-Nayakund
Near Ramtek, Nagpur, Maharashtra.

(m) Address for Correspondence:

For transfer/dematerialization of shares, change of address of members and other queries relating to the shares of the company:	Any queries relating to Annual reports, etc.
M/s. Karvy Computershare Private Limited Plot No.17-24,Vittal Rao Nagar, Madhapur, Hyderabad- 500 081. Phone No. 040-23420818 Fax No.040-23420814 E-Mail: einward.ris@karvy.com	The Compliance Officer, Suryaamba Spinning Mills Limited Surya Towers, 1st Floor, 105, Sardar Patel Road, Secunderabad - 500 003. Phone No.040-27813360 E-mail: mail@suryaamba.com

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 which is as follows:

Sl. No.	Name	Category	Designation
1.	Sri Pundlik Sampatrao Thakare	Non-Executive Independent	Chairman
2.	Sri Amit Goela	Non-Executive Independent	Member
3.	Sri Pujit Agarwal	Non-Executive	Member

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



SURYAAMBA SPINNING MILLS LIMITED

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**

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

**Seema Rani Agarwal
Joint Managing Director
(DIN : 01430206)**

**Place : Nagpur
Date : 04.07.2014**

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

We, Virender Kumar Agarwal, Managing Director and Milind M. Bangre, Manager (Finance &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, 2014 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
(DIN : 00013314)

Milind M Bangre
Manager (Finance & Accounts)

Place : Nagpur
Date : 04.07.2014

Independent Auditor'S Report

To,
The Members of
SURYAAMBA SPINNING MILLS LIMITED.

Report on the Financial Statements :

We have audited the accompanying financial statements of SURYAAMBA SPINNING MILLS LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial Statements :

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility :

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in

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

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

Opinion :

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

- a) In the case of the Balance Sheet, of the State of affairs of the Company as at 31st March, 2014;
- b) In the case of the Statement of Profit and Loss, of the Profit for the Year ended on that date; and
- c) In the case of Cash flow statement, of the Cash Flows for the year ended on that date.

Report on Other legal & Regulatory requirements :

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.



2. As required by section 227(3) of the Act, we report that:
- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
 - c) The Balance Sheet and Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e) On the basis of written representations

received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

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

Place : Hyderabad
Date : 30.05.2014

Annexure to the Auditor's Report
The Annexure referred to in paragraph 1 of Our Report of even date

To
The members of
SURYAAMBA SPINNING MILLS LIMITED.

on the accounts of the company for the year ended
31st March, 2014. We report that:

i).

- a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) As explained to us, the fixed assets have been physically verified by the management during the year in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- c) During the year, the company has not disposed off any substantial part of its fixed assets, affecting the going concern status of the company.

ii).

- a) The inventory has been physically verified during the year by the management at reasonable intervals. In our opinion, the frequency of verification is reasonable and adequate.
- b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- c) The company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.

iii).

- a) The company has not granted any loan, secured or unsecured to companies, firms or other

parties covered in the register maintained under Section 301 of the Companies Act, 1956. Therefore, the provisions of clause 4 (iii) (b), (c) and (d) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the company.

- e) The company has taken unsecured loans from directors covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was ₹ 417.14 Lakhs, and the year end balance of loans is ₹ 417.14 Lakhs
- f) In our opinion, the rate of interest and other terms and conditions on which loan taken from the above parties are not, prima facie, prejudicial to the interest of the company.
- iv). In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of inventory, fixed assets and for sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
- v).
- a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act that need to be entered into the register maintained under section 301 have been so entered.
- b) In our opinion and according to the information and explanations given to us, there are no transactions made in pursuance of contracts or arrangements with the parties entered in the register maintained under Section 301 of the Companies Act, 1956 and

exceeding the value of rupees five lakhs hence the reporting requirement under this clause does not apply.

- vi).** The company has not accepted any deposits from the public governed by sections 58 A and 58 AA of the companies act 1956 for the year under reference. As per the information and explanations given to us no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- vii).** In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- viii).** We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government U/s 209 (1) (d) of the companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have not, however, carried out detailed examination of the same.
- ix).**
- a)** According to the information and explanations given to us and the records of the company examined by us, in our opinion, the company is regular in depositing undisputed statutory dues including income tax, Provident Fund, Employees state insurance, sales tax, wealth tax, custom duty, excise duty, cess, Service Tax and other material statutory dues as applicable, with the appropriate authorities. Investor education and protection fund and are not applicable to the company for the current year. No undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31.03.2014 for a period of more than six months from the date of becoming payable.
- b)** According to the information and explanations given to us, and the records of the company examined by us, there are no dues of sales tax, income tax, Service Tax, customs duty, wealth tax, excise duty and cess which have not been deposited on account of any dispute.
- x).** The company has no accumulated losses and has not incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- xi).** In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
- xii).** In our opinion and according to the information and explanations given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
- xiii).** In our opinion, and according to the information and explanations given to us, 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.
- xiv).** In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- xv).** The company has not given guarantees for loans taken by others from banks or financial institutions.



- xvi).**In our opinion, and according to the information and explanations given to us, the term loans have been applied for the purposes for which the loans were obtained.
- xvii).**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.
- xviii).**According to the information and explanations given to us, the company has made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act during the year, and the rate at which shares are allotted is not prima facie prejudicial to the interests of the Company.
- xix).**According to the information and explanations given to us, during the period covered by our audit report, the company has not issued any debentures.
- xx).**The company has not raised any money by way of public issue during the year.
- xxi).**In our opinion and according to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

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

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

Place : Hyderabad
Date : 30.05.2014

CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
SURYAAMBA SPINNING MILLS LIMITED

We have examined the compliance of conditions of Corporate Governance by SURYAAMBA SPINNING MILLS LIMITED, for the year ended on 31st March, 2014, as stipulated in clause 49 of the listing Agreement of the said company with Stock exchanges in India.

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

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

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

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

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

Place : Hyderabad
Date : 04.07.2014

Balance Sheet as at 31st March, 2014
(Figures in ₹ Lakhs)

Particulars	Note No.	As At 31.03.2014	As At 31.03.2013
1	2	3	4
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	1	1,021.20	1,008.20
(b) Reserves and surplus	2	1,760.67	1,627.98
(c) Money received against share warrants		28.29	36.46
		<u>2,810.16</u>	<u>2,672.64</u>
2 Non-current liabilities			
(a) Long-term borrowings	3	1,765.95	1,614.36
(b) Deferred tax liabilities (Net)		292.02	109.08
(c) Long-term provisions	4	243.56	267.39
		<u>2,301.53</u>	<u>1,990.83</u>
3 Current liabilities			
(a) Short-term borrowings	5	1,461.73	1,411.22
(b) Other current liabilities	6	581.98	611.16
(c) Short-term provisions	7	255.15	300.43
		<u>2,298.86</u>	<u>2,322.81</u>
	TOTAL	<u>7,410.55</u>	<u>6,986.28</u>
II. ASSETS			
1 Non-current assets			
(a) Fixed assets	8		
(i) Tangible assets		4,323.59	4,397.41
(ii) Capital work-in-progress		260.22	248.11
(b) Long-term loans and advances	9	102.99	81.13
		<u>4,686.80</u>	<u>4,726.65</u>
2 Current assets			
(a) Inventories	10	799.07	628.22
(b) Trade receivables	11	959.58	977.24
(c) Cash and cash equivalents	12	51.24	45.22
(d) Short-term loans and advances	13	429.15	157.90
(e) Other current assets	14	484.71	451.05
		<u>2,723.75</u>	<u>2,259.63</u>
	TOTAL	<u>7,410.55</u>	<u>6,986.28</u>

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

per Our Report of even date

for S.Venkatadri & Co.

Chartered Accountants

Firm's Regn No : 004614S

K.Srinivasa Rao

Partner

Membership No. 201470

Place : Hyderabad

Date : 30th May, 2014

For and on behalf of the Board

Virender Kumar Agarwal

Managing Director

Seema Rani Agarwal

Jt. Managing Director

Profit and Loss statement for the year ended 31st March, 2014 (Figures in ₹ Lakhs)

Particulars	Refer Note No.	Current Year	Previous Year
I. Revenue from operations	15	15,639.30	13,446.02
II. Other income	16	197.38	72.96
III. Total Revenue (I + II)		15,836.68	13,518.98
IV. Expenses:			
Cost of materials consumed	17	11,172.06	9,411.83
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	18	147.66	36.07
Employee benefits expense	19	983.10	851.11
Finance costs	20	459.27	473.84
Depreciation and amortization expense	21	276.46	285.36
Other expenses	22	2,464.28	2,169.17
Total expenses		15,502.83	13,227.38
V. Profit before tax		333.85	291.60
VI. Tax expense:			
(1) Current tax		72.79	63.48
(2) Deferred tax (Asset)/Liability		182.94	20.84
(3) MAT Credit Entitlement		(72.79)	0.00
(4) Earlier Year's MAT Credit Entitlement		(63.48)	0.00
Sub-Total - Tax expense		119.46	84.32
VII. Profit (Loss) for the period		214.39	207.28
VIII. Earnings per equity share:			
(1) Basic		5.72	4.18
(2) Diluted		4.84	3.35

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

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

For and on behalf of the Board

K.Srinivasa Rao
Partner
Membership No. 201470

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

Place : Hyderabad
Date : 30th May, 2014

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014 (Figure in Rs Lakhs)

Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013
A. Cash Flow from Operating Activities :		
Net profit before tax	333.85	291.60
Adjustment for: Depreciation	276.00	284.90
Finance Charges	432.67	455.33
Preliminary Expenses Written Off	0.46	0.46
Debit Balance and Bad Debts written off	15.38	0.17
Interest earned	(10.61)	(6.05)
	<u>713.90</u>	<u>734.81</u>
Operating Profit before working capital changes	1,047.75	1,026.41
Adjustment for working capital changes:		
Decrease/(Increase) in Inventories	(170.85)	118.26
Decrease/(Increase) in Receivables	(172.85)	(418.04)
(Decrease)/Increase in Liabilities	<u>(202.09)</u>	<u>105.58</u>
	<u>(545.79)</u>	<u>(194.20)</u>
Operating Profit after working capital changes	501.96	832.21
Less: Taxes Paid	<u>68.50</u>	<u>17.41</u>
Net Cash Inflow from Operating Activity (A)	<u>433.46</u>	<u>814.80</u>
B. Cash Flow from Investing Activities :		
Acquisition of Fixed Assets including Capital Work In Progress	(214.24)	(264.07)
Interest Received	5.17	7.23
Net Cash Outflow from Investing Activity (B)	<u>(209.07)</u>	<u>(256.84)</u>
C. Cash Flow from Financing Activity :		
Share Application Money Received	24.53	67.65
Repayment of Term Loans	(34.89)	(231.84)
Increase/(Decrease) in Working Capital Loans	50.52	222.42
Hire Purchase Loan	39.86	9.00
Repayment of Hire Purchase Loans	(8.26)	(5.94)
Loan from Directors	282.19	(175.16)
Dividend and Dividend Distribution Tax Paid	(136.60)	0.00
Interest Paid	(435.71)	(457.71)
Net Cash Outflow from Financing Activity (C)	<u>(218.37)</u>	<u>(571.58)</u>
Net Increase/(decrease) in Cash and Cash Equivalents during the Financial Year (A+B+C)	6.02	(13.62)
Add : Cash and Cash Equivalent at the beginning of the year	45.22	58.84
Cash and Cash Equivalent at the close of the year	<u>51.24</u>	<u>45.22</u>

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

Per our report of even date

for S.Venkatadri & Co.

Chartered Accountants

Firm's Regn No : 004614S

K.Srinivasa Rao

Partner

Membership No. 201470

Place : Hyderabad

Date : 30th May, 2014

For and on behalf of the Board

Virender Kumar Agarwal

Managing Director

Seema Rani Agarwal

Jt. Managing Director

Notes to the Financial Statements
(Figures in ₹ Lakhs)
Note 1 Share Capital :

Particulars	As at 31 March 2014		As at 31 March 2013	
	Number	Amount	Number	Amount
Authorised				
Equity Shares of Rs.10 each	5,000,000	500.00	5,000,000	500.00
Cumulative Redeemable Preference shares of Rs.100 each	1,500,000	1,500.00	1,500,000	1,500.00
	6,500,000	2,000.00	6,500,000	2,000.00
Issued				
Equity Shares of Rs.10 each	2,482,000	248.20	2,352,000	235.20
8% Cumulative Redeemable Preference shares of Rs.100 each	773,000	773.00	773,000	773.00
	3,255,000	1,021.20	3,125,000	1,008.20
Subscribed and Paid Up				
Equity Shares of Rs.10 each	2,482,000	248.20	2,352,000	235.20
8% Cumulative Redeemable Preference shares of Rs.100 each	773,000	773.00	773,000	773.00
Total	3,255,000	1,021.20	3,125,000	1,008.20

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

Particulars	Equity Shares		Preference Shares	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013
Shares outstanding at the beginning of the year	2,352,000	2,228,000	773,000	773,000
Shares Issued during the year	130,000	124,000	-	-
Shares redeemed / bought back during the year	-	-	-	-
Shares outstanding at the end of the year	2,482,000	2,352,000	773,000	773,000

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

Name of Shareholder	As at 31 March 2014		As at 31 March 2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Sri Virenderkumar Agarwal	1,000,191	40.30%	935,191	39.76%
Smt Seemarani Agarwal	532,250	21.44%	467,250	19.87%
Sri Mayank Agarwal	137,053	5.52%	137,053	5.82%

(c) Details of Cumulative Redeemable Preference Shares

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

Notes to the Financial Statements
(Figures in ₹ Lakhs)
Note 2 Reserves & Surplus :

Particulars	As at 31 March 2014	As at 31 March 2013
a. Securities Premium Account		
At the commencement of the year	271.09	252.30
(+) Addition during the year	<u>19.70</u>	<u>18.79</u>
Closing Balance	<u>290.79</u>	<u>271.09</u>
b. Investment Subsidy		
At the commencement of the year	<u>30.00</u>	<u>30.00</u>
Closing Balance	<u>30.00</u>	<u>30.00</u>
c. Preference Capital Redemption Reserve		
At the commencement of the year	57.53	57.53
(+) Current Year Transfer	<u>-</u>	<u>-</u>
Closing Balance	<u>57.53</u>	<u>57.53</u>
d. General Reserve		
At the commencement of the year	1,201.75	1,201.25
(+) Current Year Transfer	<u>0.50</u>	<u>0.50</u>
Closing Balance	<u>1,202.25</u>	<u>1,201.75</u>
e. Profit and Loss Account		
At the commencement of the year	67.62	(2.56)
Add : Profit for the year	214.39	207.28
Less : Proposed Dividend on Equity Shares	24.82	23.52
Proposed Dividend on Preference Shares	61.84	93.24
Corporate Dividend Tax	14.73	19.84
Transfer to General Reserve	<u>0.50</u>	<u>0.50</u>
Closing Balance	<u>180.10</u>	<u>67.62</u>
Total	<u><u>1,760.67</u></u>	<u><u>1,627.98</u></u>

Note 3 Long Term Borrowings :

Secured		
Term loans		
from SBI-IFB, Hyderabad		
(a) Rupee term Loan-2	<u>1,310.45</u>	<u>1,465.34</u>
	1,310.45	1,465.34
Note : The Loan referred above is secured by mortgage of (present & future) movable and immovable properties of the Company on first charge pari passu basis and guaranteed by two Promotor Directors of the Company in their personal capacities.		

Notes to the Financial Statements
(Figures in ₹ Lakhs)

Particulars		As At 31 March 2014	As At 31 March 2013
Terms of Repayment	Sanction Date	Rate of Interest	Quarterly Instalments
(a) Rupee term Loan-2	<u>24.01.2013</u>	<u>12.50%</u>	<u>32</u>
Other loans and advances			
Vehicle Hire Purchase Loan			
from HDFC Bank Limited		32.40	-
from BMW India Financial Limited		4.30	9.26
from ICICI Bank Limited		1.66	4.81
		<u>38.36</u>	<u>14.07</u>
Unsecured			
Other Long Term Borrowings			
(I) Loans and advances from related parties			
Unsecured Loan from Directors		417.14	134.95
		<u>417.14</u>	<u>134.95</u>
Total		<u>1,765.95</u>	<u>1,614.36</u>

Note 4 Long Term Provisions :

(a) Provision for employee benefits		
Gratuity (unfunded)	211.78	228.08
Leave Encashment (unfunded)	31.78	39.30
Total	<u>243.56</u>	<u>267.39</u>

Note 5 Short Term Borrowings :

Secured		
(a) Loans repayable on demand from banks		
(I) State Bank of India		
Cash Credit	1,268.51	1,298.26
(II) Axis Bank Limited		
Cash Credit	193.22	112.96
Total	<u>1,461.73</u>	<u>1,411.22</u>

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

Notes to the Financial Statements
(Figures in ₹ Lakhs)
Note 6 Other Current Liabilities :

Particulars	As At 31 March 2014	As At 31 March 2013
(a) Current maturities of long-term debt Term Loan from SBI-IFB, Hyderabad Rupee term Loan-2	160.00 <u>160.00</u>	40.00 <u>40.00</u>
(b) Current maturities of finance lease obligations Vehicle Hire Purchase Loan from HDFC Bank Limited	6.36	-
from BMW India Financial Limited	4.84	4.38
from ICICI Bank Limited	3.16	2.84
from TVS Credit Services Limited	0.20	-
	<u>14.56</u>	<u>7.22</u>
(c) Unclaimed dividends	6.22	3.50
(d) Creditors for Supplies Due to Small and Micro Enterprises	36.96	60.98
Others	169.17	300.42
(e) Other payables	191.05	190.55
(f) Other payables - Statutory dues	4.02	8.49
	<u>407.42</u>	<u>563.94</u>
Total	<u>581.98</u>	<u>611.16</u>

Note 7 Short Term Provisions :

(a) Provision for employee benefits Salary & Reimbursements	55.34	72.61
Contribution to PF & ESI	14.78	16.87
Bonus Payable	27.29	26.95
(b) Others (Specify nature) Proposed Preference Shares dividend	61.84	93.24
Proposed Equity Shares dividend	24.82	23.52
Corporate Dividend Tax	14.73	19.84
Provision for Income Tax (Net)	56.34	47.40
Total	<u>255.15</u>	<u>300.43</u>



Note 8 Fixed Assets : (Figures in ₹ Lakhs)

Particulars	Gross Block			Accumulated Depreciation			Net Block	
	Balance as at 1 April 2013	Additions	Disposals	Balance as at 1 April 2013	Depreciation charged for the Year	On disposals	Balance as at 31 March 2014	Balance as at 1 April 2013
a Tangible Assets								
Land	146.67	-	-	-	-	-	146.67	146.67
Buildings :								
Factory Buildings	1,384.78	-	-	286.10	46.25	-	1,052.43	1,098.68
Non-Factory Buildings	898.68	4.01	-	97.83	14.65	-	790.21	800.85
Plant and Equipment :								
Workshop Equipment	3.19	-	-	2.64	0.15	-	0.40	0.54
Plant and Machinery	3,880.66	114.65	-	1,857.00	180.19	-	1,958.12	2,023.66
Testing Equipment	18.75	-	-	6.89	0.89	-	10.97	11.86
Electrical Installations	363.89	11.14	-	158.96	16.83	-	199.24	204.94
Weighing Machines	3.91	0.50	-	2.46	0.19	-	1.77	1.45
Water Works	7.12	-	-	1.71	0.12	-	5.29	5.42
Furniture and Fixtures	49.10	4.57	-	25.36	2.39	-	25.92	23.73
Office equipment	29.24	-	-	14.78	1.34	-	13.12	14.45
Vehicles	92.61	51.94	-	35.20	8.94	-	100.41	57.41
Data Processing Equipment	41.47	15.34	-	33.71	4.06	-	19.04	7.76
Total	6,920.07	202.15	-	2,522.62	276.00	-	2,798.63	4,397.41
b Add : Capital Work In Progress								
	248.13	122.60	110.51	-	-	-	260.22	248.13
	7,168.20	324.75	110.51	2,522.62	276.00	-	4,583.81	4,645.54
c Less : Internal Transfer								
	-	110.51	110.51	-	-	-	-	-
Total	7,168.20	214.24	-	2,522.62	276.00	-	2,798.63	4,645.54
Previous Year	6,904.14	264.06	-	2,237.72	284.90	-	4,645.54	4,666.38

Notes to the Financial Statements
(Figures in ₹ Lakhs)
Note 9 Long Term Loans and Advances :

Particulars	As At 31 March 2014	As At 31 March 2013
a. Deposits Recoverable (Unsecured considered good) (Telephone, MSEDCL Electricity, & other deposits)	102.99	81.13
Total	<u>102.99</u>	<u>81.13</u>

Note 10 Inventories :

(Valued and certified by the Management)		
a. Raw Materials	343.68	32.68
(Valued at cost on weighted average basis)		
b. Stores and spares	98.62	91.13
(Valued at cost on weighted average basis)		
c. Finished goods	183.11	373.81
(Valued at lower of cost or net realisable value basis)		
d. Work-in-progress	173.55	130.48
(Valued at lower of cost or net realisable value basis)		
e. Others - Waste (at realisable value)	0.11	0.12
Total	<u>799.07</u>	<u>628.22</u>

Note 11 Trade Receivables : (Unsecured and considered Good)

Receivables due for a period exceeding six months	-	-
	-	-
Others	959.58	977.24
	959.58	977.24
Total	<u>959.58</u>	<u>977.24</u>

Note 12 Cash and Cash equivalents :

a. Balances with Banks		
With Scheduled Banks	0.58	22.52
b. Cash on hand	15.87	0.47
c. Balance with Banks in unclaimed dividend Accounts	6.22	3.50
d. Fixed Deposits	28.57	18.73
Total	<u>51.24</u>	<u>45.22</u>

Fixed Deposits with State Bank Of India amt to Rs. 10.52 lakh and with Axis Bank Ltd. amt to Rs. 18.05 lakh are being kept for various Bank Guarantees given to Government authorities.

Notes to the Financial Statements
(Figures in ₹ Lakhs)
Note 13 Short-term loans and advances :

Particulars	As At 31 March 2014	As At 31 March 2013
(Unsecured considered good)		
a. Advances for Capital purchases	88.98	88.98
b. Advances for purchases of Stores	20.18	66.32
c. Advances for Raw Material	181.14	--
d. Advances to Staff	2.58	2.60
e. MAT Credit Entitlement	136.27	-
Total	<u>429.15</u>	<u>157.90</u>

Note 14 Other Current Assets :

Incentives Receivables	181.24	173.61
Pre-paid expenses	0.82	3.50
VAT Receivable	288.14	261.11
Balance With Central Excise Department	0.86	4.16
Accrued interest	12.26	6.82
Deferred Revenue Expenditure	1.39	1.86
Total	<u>484.71</u>	<u>451.05</u>

Note 15 Sale of Products :

Particulars	Current Year	Previous Year
Yarn	15,631.78	13,440.55
Waste	7.52	5.47
Total	<u>15,639.30</u>	<u>13,446.02</u>

Note 16 Other Income :

Interest Income	10.61	6.05
Export Benefit entitlement	150.36	-
Claims Received	-	44.27
Income relating to Previous Year	11.97	-
Scrap Sales	1.09	1.28
Miscellaneous Income	21.20	21.36
Credit Balance written Back	2.15	-
Total	<u>197.38</u>	<u>72.96</u>

Notes to the Financial Statements
(Figures in ₹ Lakhs)
Note 17 Cost of materials consumed :

Particulars	Current Year	Previous Year
Opening Stocks	32.68	123.80
Add : Purchases	11,483.06	9,320.71
	11,515.74	9,444.51
Less : Closing Stocks	343.68	32.68
Total Cost of Material Consumed	11,172.06	9,411.83
Details of Raw Material Consumed :		
Polyester Staple Fibre	11,166.27	9,403.56
Viscose Staple Fibre	5.79	8.27
Total	11,172.06	9,411.83

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

(INCREASE)/DECREASE IN STOCKS		
OPENING STOCKS:		
Yarn	373.81	410.81
Work-in-process	130.48	129.58
Waste	0.12	0.10
	<u>504.41</u>	<u>540.48</u>
CLOSING STOCKS:		
Yarn	183.11	373.81
Work-in-process	173.54	130.48
Waste	0.10	0.12
	<u>356.75</u>	<u>504.41</u>
(INCREASE)/DECREASE IN STOCKS	<u>147.66</u>	<u>36.07</u>

Note 19 Employee Benefits Expense :

(a) Salaries, Incentives and Bonus	861.37	742.18
(b) Contributions to Provident Fund	79.46	70.57
(c) Staff welfare expenses	42.27	38.36
Total	<u>983.10</u>	<u>851.11</u>

Note 20 Finance Cost :

Interest expense	432.67	455.33
Bank Charges	26.60	18.51
Total	<u>459.27</u>	<u>473.84</u>

Notes to the Financial Statements
(Figures in ₹ Lakhs)
Note 21 Depreciation and Amortisation expense :

Particulars	Current Year	Previous Year
Depreciation	276.00	284.90
Amortisation expense	0.46	0.46
Total	276.46	285.36

Note 22 Other Expenses :

Consumable Stores	285.22	252.67
Power & Fuel	1,246.15	1,147.08
Rent	14.40	12.50
Rates & Taxes	6.22	15.44
Sales Tax	417.80	359.19
Printing & Stationery	2.52	8.71
Postage, Telegrams & Telephones	7.12	5.31
Travelling & Conveyance	25.57	16.10
Expenses on Sales	69.45	50.90
Commission On Sales	9.55	14.06
Insurance	8.37	6.63
Professional Charges	10.00	13.34
Payment to the Auditors :		
As Auditors	1.01	1.01
For Taxation Matters	0.22	0.22
Cost Audit Fees	0.39	0.35
Repairs to : Buildings	7.20	6.38
: Machinery	13.48	34.54
: Other Assets	6.70	3.88
Vehicle Maintenance	20.94	18.74
Contract Labour Charges	59.70	41.29
Miscellaneous Expenses	121.07	82.28
Bad debts and Debit Balances written off	15.38	0.17
Business Promotion Expenses	42.29	4.85
Managerial remuneration	73.53	73.53
Total	2,464.28	2,169.17

Note 23 Details of Material Consumed

Particulars	Current Year		Previous Year	
	₹ Lakh	%	₹ Lakh	%
Raw Material				
Indigenous	11,172.06	100.00	9,411.83	100.00
Imported	-	-	-	-
Total	11,172.06	100.00	9,411.83	100.00
Stores & Spares				
Indigenous	111.35	100.00	90.69	88.36
Imported	-	-	11.95	11.64
Total	111.35	100.00	102.64	100.00

Notes to the Financial Statements
(Figures in ₹ Lakhs)
Note 24 Contingent Liabilities

Particulars	As At 31 March 2014	As At 31 March 2013
Contingent liabilities and commitments (to the extent not provided for)		
(a) Letter of Credit	93.97	
(b) Bank Guarantees	14.87	14.87
Total	108.84	14.87

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

Value of Imports on C.I.F. Basis	Current Year	Previous Year
Stores and Spare Parts	Nil	11.95

Note 26 Expenditure in Foreign Currency

Nil

Nil

Note 27 Earning in Foreign Currency

FOB Value of Export	91.66	Ni
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Note 28 Earning Per Share

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

Profit after Tax	214.39	207.28
LESS : Preference Dividend provided including Corporate Dividend tax thereon	72.35	109.08
Profit attributable to Equity Shareholders	142.04	98.20
No. of Equity Shares (Face Value Rs.10/-each)	2,482,000	2,352,000
Weighted Average no. of Shares	2,482,000	2,352,000
Earning per Share	5.72	4.18

Note 29 Deffered 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, 2014:

Deferred Tax Liability (a)		
Depreciation	530.36	500.54
	<u>530.36</u>	<u>500.54</u>
Deferred Tax Assets (b)		
Employee Benefits	77.56	82.75
Unabsorbed Losses	160.78	308.72
	<u>238.34</u>	<u>391.47</u>
Deferred Tax Liability (a-b)	292.02	109.08

Notes to the Financial Statements
(Figures in ₹ Lakhs)
Note 30 Disclosures pursuant to Accounting Standard-15 "Employee Benefit"

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

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

Particulars	As At 31 March 2014	As At 31 March 2013
A) Components of expenses recognized in Profit and Loss Account		
Current Service Cost	16.22	15.68
Interest Cost	20.89	17.11
Expected Return on Plan Assets	-1.01	-
Net Actuarial Gain/Loss	<u>-27.41</u>	<u>-22.86</u>
Expenses recognized in profit and loss Account	<u>8.69</u>	<u>9.93</u>
B) Components of Amounts recognised in Balance Sheet		
Opening Defined Benefit Obligation	233.17	218.14
Interest Cost	20.89	17.11
Current Service Cost	16.22	15.68
Benefits Paid	-9.80	-8.49
Actuarial Gain/Loss	<u>-28.18</u>	<u>-9.27</u>
Closing Net Liability	<u>232.30</u>	<u>233.17</u>
C) Change in Fair Value of plan Assets		
Fair value of plan assets at the beginning of the year	5.09	-
Expected Return on Plan Assets	1.01	
Employer Contribution	25.00	
Actuarial Gain/Loss	-0.77	13.58
Benefits Paid	<u>-9.80</u>	<u>-8.49</u>
Fair value of plan assets at the end of the year	<u>20.53</u>	<u>5.09</u>

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

Particulars	Current Year	Previous Year
Salary Rise (%)	8	8
Attrituoan Rate (%)	4	4
Discount Rate (%)	8	8

Notes to the Financial Statements
(Figures in ₹ Lakhs)
Note 31 Segment Reporting

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

Note 32 Related Party Disclosures

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

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

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

Nature of Transaction	Current Year	Previous Year
Transactions during the Year		
a. Unsecured Loans received		
i. Sri VirenderKumar Agarwal	-	-73.61
ii. Smt Seema Agarwal	160.50	-71.00
iii. Sri Mayank Agarwal	-	-30.55
iv. Sri Pujit Agarwal	191.00	-
b. Interest Paid		
i. Sri VirenderKumar Agarwal	1.77	7.44
ii. Smt Seema Agarwal	6.24	2.37
iii. Sri Mayank Agarwal	7.16	13.16
iv. Sri Pujit Agarwal	5.81	
c. Remuneration		
i. Sri VirenderKumar Agarwal	30.01	30.01
ii. Smt Seema Agarwal	24.28	24.28
iii. Sri Mayank Agarwal	19.22	19.22
d. Rent paid to Smt Seema Agarwal	14.40	12.50
Payables as on 31-03-2014		
i. Sri VirenderKumar Agarwal	-	31.85
ii. Smt Seema Agarwal	141.37	2.64
iii. Sri Mayank Agarwal	86.55	100.45
iv. Sri Pujit Agarwal	191.86	-

Note 33 Significant Accounting Policies and Practices adopted by the Company are disclosed in the statement annexed to these financial statements as Annexure I.

Annexure I**Statement of Significant Accounting Policies And Practices****1 SIGNIFICANT ACCOUNTING POLICIES****1.1 Basis of accounting and preparation of financial statements**

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

1.2 Use of estimates

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

1.3 Fixed assets

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

1.4 Depreciation and amortization

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. Deferred revenue expenses are amortised over a period of five Years.

1.5 Inventories

Raw materials, Packing Materials, Stores and Spares are valued at cost net of VAT Credits ascertained on FIFO basis.

Work-in-progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity.

1.6 Revenue recognition

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

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

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

Interest on bank deposits

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

1.7 Foreign Currency Transactions

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

1.8 Employee Retirement and other benefits

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

a) Defined Contribution Plan:

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

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

Gratuity is covered under the schemes of State Bank of India Life Insurance Company and premiums for such schemes are recognized in the Profit and Loss Account.

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

ii. Leave Encashment

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

1.9 Taxes on income

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

Annexure I

Statement of Significant Accounting Policies And Practices

1.10 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 reliable estimate can be made of the amount of the obligation. Contingent Liabilities not provided for are indicated by way of a Note and will be paid/provided on crystallization of the liability.

1.11 Earnings per share (EPS):

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

1.12 Impairment of Assets:

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

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

For and on Behalf of the Board

K.Srinivasa Rao
Partner
Membership No. 201470

Virender Kumar Agarwal
Managing Director

Seema Rani Agarwal
Jt. Managing Director

Place : Hyderabad
Date : 30th May, 2014

(Figures in ₹ Lakhs)



ATTENDANCE SLIP

**7th Annual General Meeting
Suryaamba Spinning Mills Limited
(CIN : L18100TG2007PLC053831)**

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

Date: 09th August, 2014

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

Time: 04.00P.M.

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 7th Annual General Meeting of the Company.

signature

Member's/Proxy

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

**7th Annual General Meeting
Suryaamba Spinning Mills Limited
(CIN : L18100TG2007PLC053831)**

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

**Form No. MGT-11
Proxy form**

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

Name of the company:

Registered office:

Name of the member (s):

Registered address:

E-mail Id:

Folio No/ Client Id:

DP ID:

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

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at theAnnual general meeting/ Extraordinary general meeting of the company, to be held on the day of..... At..... a.m. / p.m. at.....(place) and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr. No.	Resolution	For	Against
1.	To, receive, consider and the audited Statement of Profit & Loss for the year ended 31st March, 2014 and Balance Sheet as on that and the reports of the Auditors and Directors thereon.		
2.	To declare dividend on 8% Cumulative Redeemable Preference Shares (CRPS) for the financial year ended 31st March, 2014.		
3.	To declare dividend of 10% on Equity Shares for the financial year ended 31st March, 2014.		
4.	Appointment of Statutory Auditors M/s S. Venkatadri & Co, Chartered Accountants, Hyderabad.		
5.	Appointment of Sri Pundlik Sampatrao Thakare, as the Independent Director of the company for a period of 5 years.		
6.	Appointment of Sri Amit Goela, as the Independent Director of the company for a period of 5 years.		
7.	Re-appointment of Sri Virender Kumar Agarwal as Managing Director of the Company.		
8.	Re-appointment of Smt Seema Rani Agarwal as Joint Managing Director of the Company.		
9.	Sanction of borrowing limits upto Rs. 200 crores under section 180 (1) (c) of the Companies Act, 2013.		

Signed this..... day of..... 2014

Signature of shareholder

Signature of Proxy holder(s)

Affix 1 ₹
Revenue
Stamp and
Sign Across

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

NOTES:

1. This Form in order to be effective should be duly completed and deposited at the registered office of the company at Surya Towers, 1st Floor, 105, Sardar Patel Road, Secunderabad- 500 003, not less than 48 hours before the commencement of the meeting.
2. Those members who have multiple folios with different joint holders may use copies of this attendance slips/proxy

Book Post



Suryaamba Spinning Mills Limited

Regd. Off.

1st floor, Surya Towers, 105, Sardar Patel Road,
Secunderabad-500 003 (TG).

Tel 040-27813360

Corp. Off.

A-101, Kanha Apartment, 128, Chhaoni, Katol Road,
Nagpur-440 013 (MS)

Tel 0712-2591072, 2591406 **Fax** 0712-2591410

Email mail@suryaamba.com

CIN : L18100TG2007PLC0538312



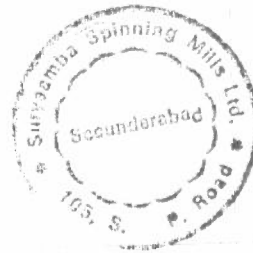
SURYAAMBA SPINNING MILLS LIMITED

A-101, Kanha Apartment, 128, Chhaoni, Katol Road, Nagpur-440 013 (MS)
Ph.# 0712-2591072, 2591406 Fax # 0712-2591410 CIN: L18100TG2007PLC053831
Mail: mail@suryaamba.com, Website: www.suryaamba.com

FORM A

1. Name of the company Suryaamba Spinning Mills Limited
2. Annual financial statements for the year ended 31st March, 2014
3. Type of Audit observation Unqualified
4. Frequency of observation Nil
5. To be signed by :

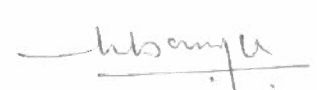
CEO/Managing Director




Virender Kumar Agarwal
Managing Director

CFO





Milind Bangre
Manager (Finance & Accounts)

Auditor of the company

For M/s. Venkatdri & Co,
Chartered Accountants,
Firm Regn No.004614S

Audit Committee Chairman




K.Srinivas Rao
Partner
Membership No.201470


Pundlik Sampatrao Thakare

Mills: Survey No. 300, Nayakund, Parseoni Road, Dist. Nagpur-441 105 Ph.# 07114 - 204711
Regd. Off. 1st Floor, Surya Towers, 105, Sardar Patel Road, Secunderabad - 500 003 Ph. # 040 - 27813360
(Note : All the correspondences are to be made to the Nagpur Office address only)

