



## SURYAAMBA SPINNING MILLS LIMITED

A-101, Kanha Apartment, 128, Chhaoni, Katol Road, Nagpur-440 013 (MS)  
Ph # 0712-2591070, 2501400 Fax # 0712-2591410 CIN: L181001G2007PLC053831  
Mail: mail@suryaamba.com, Website: www.suryaamba.com

June 17, 2022

Department of Corporate Services-CRD  
BSE Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai - 400 001

Scrip Code: 533101

**Sub: Annual General Meeting (AGM) - Notice of AGM and Annual Report of the Company for the Financial Year 2021-22**

Dear Sir / Madam,

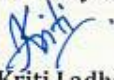
Pursuant to Regulation 30, 34, 42 and 44 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("Listing Regulations"), we hereby notify as under:

1. The 15<sup>th</sup> Annual General Meeting (AGM) of the Company will be held on Saturday, July 09, 2022 at 12:00 noon (IST) through Video Conferencing / Other Audio Visual Means in accordance with relevant circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India ("Circulars").
2. In terms of the said Circulars, the AGM notice including e-voting instructions and Annual Report 2021-22 have been sent to all the members of the Company whose email addresses are registered with the Company / Depository Participants / Registrar and Transfer Agent. AGM Notice may be referred for detailed instructions on registering email addresses(s) and voting /attendance for the AGM.
3. The Company has provided the facility to vote by electronic means (remote e-voting as well as e-voting at the AGM) on all resolutions as set out in the AGM notice to those members, who are holding shares either in physical or in electronic form as on the cut-off date.
4. Notice of the AGM along with the Annual Report 2021-22 is enclosed and is also being sent to all the members of the Company whose email addresses are registered with the Company / Depository Participants / Registrar and Transfer Agent.

The Annual Report and AGM Notice is also being uploaded on the website of the Company: [www.suryaamba.com/investors](http://www.suryaamba.com/investors).

You are requested to take note of the same.

Thanking you,  
Yours faithfully,  
For Suryaamba Spinning Mills Limited

  
Kriti Ladha  
Company Secretary & Compliance Officer  
Membership No.: ACS 61729  
Encl.: As above



Mills : Survey No. 300, Nayakund, Parseoni Road, Dist. Nagpur-441 105 Ph.# 7722089222

Regd. Off. : 1st Floor, Surya Towers, 105 Sardar Patel Road, Secunderabad, 500 002 Ph. # 012 2722 2000



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# SURYAAMBA SPINNING MILLS LIMITED

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15TH ANNUAL REPORT 2021-22





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# Suryaamba Spinning Mills Limited

## Notes

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## CORPORATE INFORMATION

### BOARD OF DIRECTORS

**Mr. Virender Kumar Agarwal**  
Chairman & Managing Director

**Mrs. Seema Agarwal**  
Joint Managing Director

**Mr. Mayank Agarwal**  
Whole-time Director

**Mr. Amit Goela**  
Independent Director

**Mr. Sushil Kapadia**  
Independent Director

**Mr. Nilesh Panpaliya**  
Independent Director

### KEY MANAGERIAL PERSONNEL

**Mr. Gajanan N. Chhawsaria**  
Chief Financial Officer

**Kriti Ladha**  
Company Secretary & Compliance Officer

### REGISTERED OFFICE

1<sup>st</sup> Floor, Surya Towers,  
105, S P Road, Secunderabad (T.G) – 500 003  
Tel. No. 040-27813360  
CIN: L18100TG2007PLC053831

### AUDIT COMMITTEE

**Mr. Amit Goela** Chairman

**Mr. Sushil Kapadia** Member

**Mrs. Seema Agarwal** Member

### STAKEHOLDERS' RELATIONSHIP COMMITTEE

**Mr. Amit Goela** Chairman

**Mr. Sushil Kapadia** Member

**Mrs. Seema Agarwal** Member

### NOMINATION AND REMUNERATION COMMITTEE

**Mr. Amit Goela** Chairman

**Mr. Sushil Kapadia** Member

**Mr. Nilesh Panpaliya** Member

### CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

**Mrs. Seema Agarwal** Chairperson

**Mr. Mayank Agarwal** Member

**Mr. Amit Goela** Member

### REGISTRAR & SHARE TRANSFER AGENTS

#### KFin Technologies Limited

(Formerly known as "KFin Technologies Private Limited")

Karvy Selenium Tower B, Plot

No 31 & 32 Financial District,

Nanakramguda, Serilingampally, Mandal,

Hyderabad (TG) – 500032

Ph. No. 040-6716 2222, 3321 1000



## Suryaamba Spinning Mills Limited

Website: [www.suryaamba.com](http://www.suryaamba.com)

Email: [samba.ngp@gmail.com](mailto:samba.ngp@gmail.com)

### FACTORY

Survey No. 300, Nayakund, Parseoni Road, Dist. Nagpur (M.H.) – 441 105

### BANKERS

#### State Bank of India

Industrial Finance Branch,

Bharat Nagar, Nagpur (M.H.) – 440 033

### STATUTORY AUDITORS

#### Manish N. Jain & Co.

Chartered Accountants,

507, 6<sup>th</sup> Floor Madhu Tower

Laxmi Bhawan Square

Dharampeth, Nagpur (M.H.) – 440 010

### INTERNAL AUDITORS

#### Miss Shreyata Khakole

Chartered Accountants,

Plot No. 266A, Flat No. 401, Ram Niwas,

Beside Trikoni Park, Gorepeth,

Nagpur (M.H.) – 440 010

E-mail: [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)

[/kfinkart.support@kfintech.com](mailto:/kfinkart.support@kfintech.com) /

[reachus@kfintech.com](mailto:reachus@kfintech.com)

Website: <https://www.kfintech.com>

### CORPORATE OFFICE

A-101, Kanha Apartment,

128, Chhaoni, Katol Road,

Nagpur (M.H.) – 440 013

### SECRETARIAL AUDITORS

#### M/s Aarju Agrawal & Associates, Nagpur

Practicing Company Secretaries

Flat No. 402, Sai Aadhar Apartment, Om Sai Nagar,

Karodi Naka, Nagpur (M.H.) – 440 030

### COST AUDITORS

#### G.R. Paliwal & Co., Nagpur

Cost Accountants

408A, Lokmat Bhawan, J.L.N. Marg

Ramdaspath, Wardha Road

Nagpur (M.H.) – 440 012

### LISTED on BSE Limited,

Phiroze Jeejeebhoy Towers,

Dalal Street, Mumbai (M.H.) – 400 001

BSE Scrip Code: 533101



### **OUR VISION**

We envision to remain at the forefront of high quality textile products manufacturing. Remain efficient and positive in developing new market and endeavor for customer satisfaction. Excel through constant innovation.

### **OUR MISSION**

We commit to provide eco-friendly yarn products for home and industrial textile applications. Superior quality products at competitive prices. Maintaining high ethical and professional business standard.

### **OUR VALUES**

- Customer centricity
- Integrity
- Excellence
- Innovation
- Ethics



## NOTICE OF THE 15<sup>TH</sup> ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE FOURTEEN (15<sup>th</sup>) ANNUAL GENERAL MEETING OF THE MEMBERS OF SURYAAMBA SPINNING MILLS LIMITED (“THE COMPANY”) IS SCHEDULED TO BE HELD ON SATURDAY, JULY 09, 2022 AT 12:00 NOON THROUGH VIDEO CONFERENCING (VC) /(VC)/OTHER AUDIO VISUAL MEANS(OAVM) TO TRANSACT THE FOLLOWING BUSINESS: -

### ORDINARY BUSINESS

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#### 1. Adoption of audited Financial Statements and Reports thereon

To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended March 31, 2022, together with the Reports of the Directors and Auditors thereon.

#### 2. Declaration of Dividend

To declare a dividend of Rs. 1 per equity share of Rs. 10 each as recommended by the Board of Directors of the Company for the financial year ended March 31, 2022.

#### 3. Appointment of a Director in place of the one retiring by rotation

To appoint a Director in place of Mr. Mayank Agarwal (DIN: 02749089), who retire by rotation and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS

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#### 4. Ratification of remuneration to the Cost Auditors

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

“RESOLVED THAT pursuant to provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and pursuant to the recommendation of the Audit Committee, the payment of the remuneration of Rs. Rs. 50,000/- (Rupees Fifty Thousand Only) (plus applicable Tax and reimbursement of out of pocket expenses incurred in connection with the audit) to be paid to **M/s. G. R. Paliwal & Co., Cost Accountants**, Nagpur, (FRN: 100058) appointed by the Board of Directors of the Company, as “Cost Auditors” to conduct the audit of the cost records maintained by the Company for Financial Year ending on March 31, 2023, be and is hereby ratified and approved.

“RESOLVED FURTHER THAT the Board of Directors of the Company be and hereby authorized to do all such acts, deeds, things and take steps as may be necessary or incidental in this regard to give effect to the foregoing resolution.

#### 5. Re-appointment of Mr. Virender Kumar Agarwal (DIN: 00013314) as Managing Director of the Company

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

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 (‘Act’) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any statutory modification(s) or re-





## Suryaamba Spinning Mills Limited

enactment thereof for the time being in force, the approval of the Members be and is hereby accorded for the re-appointment of Mr. Virender Kumar Agarwal (DIN:00013314) as Managing Director of the Company for a period of 5 (five) consecutive years as per the following terms:

i. **Term of Appointment:** The term of Appointment of Mr. Virender Kumar Agarwal as Managing Director shall be for a period of 5 years i.e. with effect from March 01, 2022 till February 28, 2027. Though he shall be liable to retire by rotation whilst he continues to hold office of Managing Director; however, his re-appointment on retirement by rotation will not break his length of service as Managing Director.

ii. **Remuneration, benefits and perquisites:**

**Salary:** 1,62,000/- per month

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

**Perquisites:** In addition to the salary and commission as stated above Mr. Virender Kumar Agarwal (DIN:00013314) as Managing Director 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 Re-imburement:** Expenses incurred for self & his family subject to a ceiling of one month's salary per year or 3 months' salary in a period of 5 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:** Fee of Clubs subject to a maximum of two clubs, admission and life, (Corporate) Membership Fee not being allowed.

5. **Personal Accident Insurance:** of an amount the premium of which not to exceed Rs.4000/- per month.

### Category: B

1. Contribution by the Company to 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."

**Minimum Remuneration:**



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Where in any financial year during the currency of tenure of a Managing Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration to the Managing Director by way of salary and perquisites as specified supra as minimum remuneration subject to the provisions of Schedule V and such approvals as may be necessary and any other applicable provisions of the Companies Act, 2013, including any amendment thereto from time to time.

**iii.Increments:** Increments may be given subject to the overall limits specified under Section 197 read with Schedule - V of the Companies Act, 2013.

**“RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to alter and vary the terms and conditions of appointment and /or remuneration including annual increments based on the performance appraisal and recommendation of the Nomination & Remuneration Committee, provided the same are not exceeding the limits specified under Section 197 and other applicable provisions of the Companies Act, 2013 read with Schedule - V thereto.”

**“RESOLVED FURTHER THAT** the Board of Directors (which term shall, unless repugnant to the context or meaning thereof, be deemed to include a duly authorized ‘Committee’ thereof) be and is hereby authorized to do and perform all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to above resolution.”

### 6. Re-appointment of Mrs. Seema Agarwal (DIN: 01430206) Joint Managing Director of the Company.

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

**“RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198, 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 (‘Act’) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any statutory modification(s) or re-enactment thereof for the time being in force, the approval of the Members be and is hereby accorded for the re-appointment of Mrs. Seema Agarwal (DIN: 01430206) Joint Managing Director of the Company for a period of 5 (five) consecutive years as per the following terms:

**i Term of Appointment:** The term of Appointment of Mrs. Seema Agarwal Joint Managing Director shall be for a period of 5 years i.e. with effect from October 01, 2022 till September 30, 2027. Though she shall be liable to retire by rotation whilst she continues to hold office of Joint Managing Director; however, her re-appointment on retirement by rotation will not break her length of service as Joint Managing Director.

### iii. Remuneration, benefits and perquisites:

**Salary:** 1,50,000/- per month

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

**Perquisites:** In addition to the salary and commission as stated above Mrs. Seema Agarwal (DIN:01430206) as Joint Managing Director 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 Re-imburement:** Expenses incurred for self & her family subject to a ceiling of one month's salary per year or 3 months' salary in a period of 5 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:** Fee of Clubs subject to a maximum of two clubs, admission and life, (Corporate) Membership Fee not being allowed.

**5. Personal Accident Insurance:** of an amount the premium of which not to exceed Rs.4000/- per month.

**Category: B**

1. Contribution by the Company to 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."

**Minimum Remuneration:**

Where in any financial year during the currency of tenure of a Whole time Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration to the Whole time Director by way of salary and perquisites as specified supra as minimum remuneration subject to the provisions of Schedule V and such approvals as may be necessary and any other applicable provisions of the Companies Act, 2013, including any amendment thereto from time to time.

**iv. Increments:** Increments may be given subject to the overall limits specified under Section 197 read with Schedule - V of the Companies Act, 2013.

**"RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to alter and vary the terms and conditions of appointment and /or remuneration including annual increments based on the performance appraisal and recommendation of the Nomination & Remuneration Committee, provided the same are not exceeding the limits specified under Section 197 and other applicable provisions of the Companies Act, 2013 read with Schedule - V thereto."

**"RESOLVED FURTHER THAT** the Board of Directors (which term shall, unless repugnant to the context or meaning thereof, be deemed to include a duly authorized 'Committee' thereof) be and is hereby authorized to do and perform all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to above resolution."

**7. Approval for the revision in the remuneration of Mr. Mayank Agarwal, Whole time Director of the company:**



**“RESOLVED THAT** pursuant to the provision of Sections 197, 178 read with Schedule V and other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and pursuant to Articles of Association of the Company, recommendation of the Nomination and Remuneration Committee and consent be and is hereby accorded for increase in remuneration of the Mr. Mayank Agarwal, Whole-time Director (DIN: 02749089) of the Company be increased from Rs. 95,000 to Rs. 1,35,000/- with effect from April 01, 2022, till the remaining period of his tenure, on the terms and conditions, as mentioned in the explanatory statement forming part of the notice to this meeting.”

**“RESOLVED FURTHER THAT** all other terms and conditions of appointment, as approved earlier by the shareholders at the annual general meeting held on 13<sup>th</sup> August, 2020 and which are not dealt with in this resolution, shall remain unaltered.”

**“RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

**8. Approval of payment of remuneration to Mr. Virender Kumar Agarwal together with remuneration to all Executive Directors belonging to promoter category in terms of Regulation 17(6)(e) of SEBI (LODR) Regulations, 2015.**

To approve remuneration to Mr. Virender Kumar Agarwal along with remuneration to other Executive Directors belonging to promoter or promoter group in the Company till the expiry of their term, and, in this regard, 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 Regulation 17(6)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, along with the provisions of Sections 196, 197, 198 read with Schedule V and other applicable provision 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), approval of the Members of the Company be and is hereby accorded for payment of remuneration to Mr. Virender Kumar Agarwal for his term of appointment of 5 years i.e. with effect from March 01, 2022 till February 28, 2027 as a managing director of the Company notwithstanding that the annual remuneration paid during his tenure as a managing director together with annual remuneration for all such executive directors belonging to promoter or promoter group in the Company exceeds 5% of the net profits calculated as per the provisions of the Companies Act, 2013.”

**“RESOLVED FURTHER THAT** the Board of Directors (which term shall, unless repugnant to the context or meaning thereof, be deemed to include a duly authorized ‘Committee’ thereof) be and is hereby authorized to do and perform all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to above resolution.”

**9. Approval of payment of remuneration to Mrs. Seema Agarwal together with remuneration to all Executive Directors belonging to promoter category in terms of Regulation 17(6)(e) of SEBI (LODR) Regulations, 2015.**

To approve remuneration to Mrs. Seema Agarwal along with remuneration to other Executive Directors belonging to promoter or promoter group in the Company till the expiry of their term, and, in this regard, to consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:



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**“RESOLVED THAT** pursuant to the provisions of Regulation 17(6)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, along with the provisions of Sections 196, 197, 198 read with Schedule V and other applicable provision 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), approval of the Members of the Company be and is hereby accorded for payment of remuneration to Mrs. Seema Agarwal for her term of appointment of 5 years i.e. with effect from October 01, 2022 till September 30, 2027 as a joint managing director of the Company notwithstanding that the annual remuneration paid during her tenure as a joint managing director together with annual remuneration for all such executive directors belonging to promoter or promoter group in the Company exceeds 5% of the net profits calculated as per the provisions of the Companies Act, 2013.”

**“RESOLVED FURTHER THAT** the Board of Directors (which term shall, unless repugnant to the context or meaning thereof, be deemed to include a duly authorized ‘Committee’ thereof) be and is hereby authorized to do and perform all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to above resolution.”

### **10. Approval of payment of remuneration to Mr. Mayank Agarwal together with remuneration to all Executive Directors belonging to promoter category in terms of Regulation 17(6)(e) of SEBI (LODR) Regulations, 2015.**

To approve remuneration to Mr. Mayank Agarwal along with remuneration to other Executive Directors belonging to promoter or promoter group in the Company till the expiry of their term, and, in this regard, 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 Regulation 17(6)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, along with the provisions of Sections 196, 197, 198 read with Schedule V and other applicable provision 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), approval of the Members of the Company be and is hereby accorded for payment of remuneration to Mr. Mayank Agarwal for his term of appointment of 5 years i.e. with effect from August 01, 2020 till July 31, 2025 as a whole-time director of the Company notwithstanding that the annual remuneration paid during his tenure as a whole-time director together with annual remuneration for all such executive directors belonging to promoter or promoter group in the Company exceeds 5% of the net profits calculated as per the provisions of the Companies Act, 2013.”

**“RESOLVED FURTHER THAT** the Board of Directors (which term shall, unless repugnant to the context or meaning thereof, be deemed to include a duly authorized ‘Committee’ thereof) be and is hereby authorized to do and perform all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to above resolution.”

### **11. Borrow monies with an option to convert it into shares of the Company**

**“RESOLVED THAT** pursuant to Section 62(3) and other applicable provisions of the Companies Act, 2013 read with rules thereto and all other applicable laws (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to all such approvals, permissions or sanctions as may be necessary and terms of financing documents providing, *inter alia*, for an option to the lender(s) to convert the whole or part of the outstanding due amounts under the respective debt facilities (whether then due or payable or not), into equity shares of the Company, the consent of the Members be and is hereby accorded to the Board in respect of the financial assistance extended / to be extended by the Lender such that in the event of default by the Company under the lending arrangements or upon exercise of an option provided under the lending arrangements, Lender, at its



## Suryaamba Spinning Mills Limited

option may be able to convert the outstanding facility or part thereof into Equity Shares of the Company upon such terms and conditions as specified in the finance documents at a price as mutually determined by the lender and the Company, subject to the provisions of the Companies Act, 2013, circulars and guidelines issued by Reserve Bank of India from time to time and the applicable law, and in the manner specified in a notice in writing to be given by the lender to the Company and in accordance with the terms and conditions as per the Finance Documents, drafts of which were placed before the meeting and initialled by the Chairman for the purpose of identification, are hereby approved.”

**“RESOLVED FURTHER THAT** on receipt of notice of conversion, the Board be and is hereby authorized to do all such acts, deeds and things as the Board may deem necessary and issue and allot to the lender(s) such number of equity shares upon conversion of the outstanding due amounts under the debt facilities or for such lesser amount as may be desired by the lender(s) on exercise of such option or conversion as mentioned in the finance documents.”

**“RESOLVED FURTHER THAT** the equity shares to be so issued and allotted to the lender(s) shall rank *pari-passu* in all respects with the existing equity shares of the Company.”

Date: May 16, 2022

Place: Nagpur

By the Order of Board of Directors  
For Suryaamba Spinning Mills Limited

**Registered Office:**

1<sup>st</sup> Floor, Surya towers, 105,  
S P Road, Secunderabad, TG 500003

Phone: (040) 27813360

E-mail: [samba.ngp@gmail.com](mailto:samba.ngp@gmail.com)

Website: [www.suryaamba.com](http://www.suryaamba.com)

CIN: L18100TG2007PLC053831

ISIN: INE360J01011

Sd/-

Kriti Ladha

Company Secretary & Compliance Officer

M. No.: ACS 61729

### NOTES FOR MEMBERS' ATTENTION

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021 and all other relevant circulars issued from time to time, physical attendance of the Members to the AGM venue is not required and general meeting be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorized representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee



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and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the EGM/AGM has been uploaded on the website of the Company at [www.suryaamba.com](http://www.suryaamba.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsd.com](http://www.evoting.nsd.com).
7. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020, MCA Circular No. 20/2020 dated May 05, 2020 and MCA Circular No. 2/2021 dated January 13, 2021.

### THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

The remote e-voting period begins on Wednesday, July 06, 2022 at 09:00 A.M. and ends on Friday, July 08, 2022 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. July 02, 2022 may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being July 02, 2022

#### How do I vote electronically using NSDL e-Voting system?



*The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:*

#### **Step 1: Access to NSDL e-Voting system**

#### **A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility. Login method for Individual shareholders holding securities in demat mode is given below:



Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"><li>Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “<b>Beneficial Owner</b>” icon under “<b>Login</b>” which is available under ‘<b>IDeAS</b>’ section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “<b>Access to e-Voting</b>” under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li><li>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “<b>Register Online for IDeAS Portal</b>” or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li><li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “<b>Login</b>” which is available under ‘<b>Shareholder/Member</b>’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li><li>Shareholders/Members can also download NSDL Mobile App “<b>NSDL Speede</b>” facility by scanning the QR code mentioned below for seamless voting experience.</li></ol> <div data-bbox="815 1552 1321 1854"><p><b>NSDL Mobile App is available on</b></p><p> <b>App Store</b>       <b>Google Play</b></p><div data-bbox="879 1693 1026 1843"></div><div data-bbox="1129 1693 1276 1843"></div></div>





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<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> <li>Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.</li> </ol>
<p>Individual Shareholders (holding securities in demat mode) login through their depository participants</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Login type	Helpdesk details
<p>Individual Shareholders holding securities in demat mode with NSDL</p>	<p>Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30</p>



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Individual Shareholders holding securities in demat mode with CDSL

Members facing any technical issue in login can contact CDSL helpdesk by sending a request at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 022- 23058738 or 022-23058542-43



**B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID  For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID  For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company  For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.



- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - c) How to retrieve your 'initial password'?
    - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8-digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
    - a) Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
    - b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
    - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
    - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
  7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
  8. Now, you will have to click on "Login" button.
  9. After you click on the "Login" button, Home page of e-Voting will open.

## **Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

### **How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.



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7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

### **General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [csaarjuagrawal@gmail.com](mailto:csaarjuagrawal@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “[Forgot User Details/Password?](#)” or “[Physical User Reset Password?](#)” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to NSDL Official at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

### **Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to [cssuryaamba@gmail.com](mailto:cssuryaamba@gmail.com).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16-digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to [cssuryaamba@gmail.com](mailto:cssuryaamba@gmail.com).
3. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
4. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
5. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

### **THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER: -**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the EGM/AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the EGM/AGM.



3. Members who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the EGM/AGM shall be the same person mentioned for Remote e-voting.

**INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under "**Join General meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
6. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at [cssuryaamba@gmail.com](mailto:cssuryaamba@gmail.com). The same will be replied by the company suitably.

**OTHER GUIDELINES / INFORMATION FOR MEMBERS AND VOTING RESULTS DECLARATION:**

- a. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
- b. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-Voting or casting vote through e-Voting system during the meeting.
- c. Mrs. Aarju Agrawal, Practicing Company Secretary (Membership No. 42507, COP: 15770), has been appointed as the Scrutinizer to scrutinize the remote e-Voting process and the votes cast through the e-Voting system during the 15<sup>th</sup> AGM in a fair and transparent manner.
- d. The Scrutinizer shall after the conclusion of e-Voting at the 15<sup>th</sup> AGM, unblock the votes cast and shall make a consolidated scrutinizer's report of the total votes cast in favour or against, invalid votes, if any, and whether the resolution has been carried or not, and such Report shall then be sent to the Chairman or a person authorized by him, within 48 (forty-eight) hours from the conclusion of the 15<sup>th</sup> AGM, who shall then countersign and declare the result of the voting forthwith.



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- e. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company at [www.suryaamba.in](http://www.suryaamba.in) and on the website of NSDL immediately after the results is declared and communicated to the Stock Exchanges where the equity shares of the Company are listed.
- f. As the Annual General Meeting of the Company is held through VC/OAVM, members are requested to seek information relating to the business specified in this Notice of AGM on or before July 05, 2022 by writing an email on [cssuryaamba@gmail.com](mailto:cssuryaamba@gmail.com). The same will be replied by the Company suitably.

### ANNEXURE TO NOTICE

#### EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

As required under Section 102(1) of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013, this Explanatory Statement contains relevant and material information, as detailed herein, to enable the Members to consider for approval of the Resolution Nos. 4. & 7 to 11.

#### **ITEM NO. 4**

The Board of Directors of the Company on the recommendation of the Audit Committee, appointed **M/s. G. R. Paliwal & Co., Cost Accountants, Nagpur, (FRN: 100058)**, as Cost Auditors of the Company at a remuneration of Rs. 50,000/- plus reimbursement of out of pocket expenses, for conducting audit of cost records for the F.Y. 2022-23. In terms of the provisions of section 148 of the Companies Act, 2013 and rules made thereunder the remuneration payable to the Cost Auditor is to be ratified by the members of the Company in general meeting.



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Accordingly, the members are requested to ratify the above said remuneration payable to the Cost Auditor during the financial year 2022-23. The ratification by the Members to this Remuneration is being sought in this resolution.

The Board recommends the resolution for approval of the Members. None of the Directors, Key Managerial personnel, and their relatives of the company is directly / indirectly interested in the above resolution.

### **ITEM NO.7**

Mr. Mayank Agarwal is on the Board of the Company since August 01, 2009 and is young & dynamic person presently in the capacity of Wholetime Director of the Company. The Company has always kept its high spirits both in words and in action due to untiring efforts of Mr. Mayank Agarwal.

Mr. Mayank Agarwal holds a degree in Industrial Engineering from Michigan University, USA and also MFAB (Masters in Family Administered Business) from Indian School of Business, Hyderabad and he possesses expertise in Finance, Manufacturing, Product Management, Strategy and Marketing.

At the 13<sup>th</sup> Annual General Meeting of the Company held on August 13, 2020, Mr. Mayank Agarwal was re-appointed as Wholetime Director of the Company for a period of 5 years w.e.f 01<sup>st</sup> August, 2020 to 31<sup>st</sup> July 2025 with remuneration, perquisites and benefits for a period of 5 years from the date of appointment i.e., upto 31<sup>st</sup> July, 2025 on the terms and conditions approved by the Shareholders at the said Annual General Meeting.

The Board reviewed the performance achieved by the Company under his leadership & appreciated his complete dedication and hard work and at its meeting held on May 16, 2022 proposed the following remuneration w.e.f April 01, 2022 till the remaining period of his tenure on the following terms and conditions subject to the approval of the shareholders in the ensuing AGM:

**Salary:** 1,35,000/- per month

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

**Perquisites:** In addition to the salary and commission as stated above Mr. Mayank Agarwal, Whole-time Director (DIN: 02749089) shall be entitled to the following perquisites:

**Category: A**

**Housing:** Rent free furnished residential accommodation with all facilities and amenities including such service as gas, electricity, water, etc. or HRA to the extent of 40% of the salary.

**Medical Re-imbusement:** Expenses incurred for self & his family subject to a ceiling of one month's salary per year or 3 months' salary in a period of 5 years.

**Leave Travel Concession:** For self and family once in a year incurred in accordance with the rules of the Company.

**Club Fees:** Fee of Clubs subject to a maximum of two clubs, admission and life, (Corporate) Membership Fee not being allowed.

**Personal Accident Insurance:** of an amount the premium of which not to exceed Rs.4000/- per month.

**Category: B**





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Contribution by the Company to Provident Fund, Superannuation Fund or Annuity Fund as per the rules of the Company.

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."

In the absence or inadequacy of profits, in any year, the remuneration payable to Mr. Mayank Agarwal by way of salary, allowances and perquisites shall not exceed the limits prescribed under Schedule V of the Act and rules made thereunder or any statutory modifications and/or re-enactment thereof.

Except Mr. Virender Kumar Agarwal, Mrs. Seema Agarwal & Mr. Mayank Agarwal and their relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the said Resolution.

The Shareholders' approval is solicited for the resolution at Item No. 7 of the accompanying Notice.

### ITEM NO. 8

In terms of Regulation 17 (6)(e) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, inserted by SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the fees or compensation payable to executive directors who are promoters or members of the promoter group of the listed entity, shall be subject to the approval of the shareholders by special resolution in general meeting, if –

- (i) Annual remuneration payable to such executive director exceeds ₹ 5 Crore or 2.5 per cent (2.5%) of the net profits of the listed entity, whichever is higher; or
- (ii) Where there is more than one such director, the aggregate annual remuneration to such directors exceeds 5 per cent (5%) of the net profits of the listed entity, as calculated under section 198 of the Act.

The approval given by the shareholders shall be valid only till the expiry of the term of such Director.

Mr. Virender Kumar Agarwal's re-appointment as Managing Director along with terms of remuneration for a term of five years effective from March 01, 2022 is sought for members' approval at Item no.5 of the Notice by way of an Ordinary Resolution.

Further, in accordance with Regulation 17(6)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and on recommendation of the Nomination and Remuneration Committee / Board of Directors, approval of Members by way of Special Resolution is sought for paying remuneration to Mr. Virender Kumar Agarwal proposed at item no. 5 of the Notice of the 15<sup>th</sup> AGM, even if the annual aggregate remuneration payable to Mr. Virender Kumar Agarwal together with other Executive Directors viz., Mr. Mayank Agarwal, Whole time Director and Mrs. Seema Agarwal, Joint Managing Director belonging to promoter category of the company, exceeds 5% of the net profit of the Company as calculated under section 198 of the Companies Act in any year during the remaining tenure of their appointment.

Except Mr. Virender Kumar Agarwal, Mrs. Seema Agarwal & Mr. Mayank Agarwal and their relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, in the resolution set out at Item No. 8 of the Notice.



The Board recommends the Special Resolution set out at Item No. 8 of the notice for approval by the Members.

**ITEM NO. 9**

In terms of Regulation 17 (6)(e) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, inserted by SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the fees or compensation payable to executive directors who are promoters or members of the promoter group of the listed entity, shall be subject to the approval of the shareholders by special resolution in general meeting, if –

- (i) Annual remuneration payable to such executive director exceeds ₹ 5 Crore or 2.5 per cent (2.5%) of the net profits of the listed entity, whichever is higher; or
- (ii) Where there is more than one such director, the aggregate annual remuneration to such directors exceeds 5 per cent (5%) of the net profits of the listed entity, as calculated under section 198 of the Act.

The approval given by the shareholders shall be valid only till the expiry of the term of such Director.

Mrs. Seema Agarwal's re-appointment as Joint Managing Director along with terms of remuneration for a term of five years effective from October 01, 2022 is sought for members approval at Item no.6 of the Notice by way of an Ordinary Resolution.

Further, in accordance with Regulation 17(6)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and on recommendation of the Nomination and Remuneration Committee / Board of Directors, approval of Members by way of Special Resolution is sought for paying remuneration to Mrs. Seema Agarwal proposed at item no. 6 of the Notice of the 15<sup>th</sup> AGM, even if the annual aggregate remuneration payable to Mrs. Seema Agarwal together with other Executive Directors viz., Mr. Virender Kumar Agarwal, Managing Director and Mr. Mayank Agarwal, Whole time Director belonging to promoter category of the company, exceeds 5% of the net profit of the Company as calculated under section 198 of the Companies Act in any year during the remaining tenure of their appointment.

Except Mr. Virender Kumar Agarwal, Mrs. Seema Agarwal & Mr. Mayank Agarwal and their relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, in the resolution set out at Item No. 9 of the Notice.

The Board recommends the Special Resolution set out at Item No. 9 of the notice for approval by the Members.

**ITEM NO. 10**

In terms of Regulation 17 (6)(e) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, inserted by SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the fees or compensation payable to executive directors who are promoters or members of the promoter group of the listed entity, shall be subject to the approval of the shareholders by special resolution in general meeting, if –

- (i) Annual remuneration payable to such executive director exceeds ₹ 5 Crore or 2.5 per cent (2.5%) of the net profits of the listed entity, whichever is higher; or
- (ii) Where there is more than one such director, the aggregate annual remuneration to such directors exceeds 5 per cent (5%) of the net profits of the listed entity, as calculated under section 198 of the Act.

The approval given by the shareholders shall be valid only till the expiry of the term of such Director.

Approval of revision in remuneration of Mr. Mayank Agarwal along with terms of remuneration is sought for members' approval at Item no.7 of the Notice by way of an Ordinary Resolution.



## Suryaamba Spinning Mills Limited

Further, in accordance with Regulation 17(6)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and on recommendation of the Nomination and Remuneration Committee / Board of Directors, approval of Members by way of Special Resolution is sought for paying remuneration to Mr. Mayank Agarwal proposed at item no. 7 of the Notice of the 15<sup>th</sup> AGM, even if the annual aggregate remuneration payable to Mr. Mayank Agarwal together with other Executive Directors viz., Mr. Virender Kumar Agarwal, Managing Director and Mrs. Seema Agarwal, Joint Managing Director belonging to promoter category of the company, exceeds 5% of the net profit of the Company as calculated under section 198 of the Companies Act in any year during the remaining tenure of their appointment.

Except Mr. Virender Kumar Agarwal, Mrs. Seema Agarwal & Mr. Mayank Agarwal and their relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, in the resolution set out at Item No. 10 of the Notice.

The Board recommends the Special Resolution set out at Item No. 10 of the notice for approval by the Members.

### **ITEM NO.11**

The Company is one of the well-known yarn manufacturing company. For running its operation, the Company borrows funds from the lenders by availing various fund-based and non-fund based credit facilities including terms loans, demand loans, working capital loans, letter(s) of credit, bill discounting, corporate guarantee (Loan(s)) in the ordinary course of its business from bank(s) and financial institution(s) (Lender(s)) for onward lending, from time to time. In this connection, the Company has executed/will be required to execute loan agreement(s), deed(s) of hypothecation, mortgage deed(s), undertaking(s), indemnity(ies), declaration(s), affidavit(s), document(s) and papers ('Financing Documents') to provide security to the Lenders for due repayment and serving of the Loan(s) from time to time. The Company is also required to agree and accept modification(s) in the Financing Documents from time to time as may be required by the lender(s). One of the standard clauses of the Financing Documents executed/to be executed by the Company in favour of the Lender(s) provide that in case of the occurrence of an Event of Default which is not corrected/cured by the Company within the period stipulated in the Financing Document(s) or in case of restructuring of debt, the Lender(s) shall have the right to convert the outstanding amounts of the Loan(s) together with all interest, default interest, additional interest, costs, fees, charges and other monies in relation to the Loan(s), to equity or other capital of the Company. The price of the shares for conversion of the Loan(s) will be determined in accordance with the applicable regulations of Securities and Exchange Board of India or the directions of Reserve Bank of India, in accordance with the applicable regulatory guidelines. Pursuant to the proviso to Section 62(3) of the Act approval of the company by way passing Special Resolution is necessary to convert the loan into shares in the Company. The Company has a good track record of timely repayment of Loan(s) and interest due thereon. In the opinion of the Board, there are no events or circumstances causing or likely to cause occurrence of the Event of Default resulting into conversion of Loan(s) into equity or other capital of the Company in the near future.

This enabling special resolution is proposed to be passed as per the requirement of the Financing Documents executed and/or to be executed by the Company in favour of the Lender(s). Hence, approval of the members of the Company by way of passing Special Resolution is sought as per requirement of the provision of Section 62(3) or any other applicable provisions of the Act. The Board commends passing of the special resolution as per item 11 of the Notice. None of the directors, key managerial personnel of the Company nor their relatives are concerned or interested, financially or otherwise in the said resolution.

By the Order of Board of Directors  
For Suryaamba Spinning Mills Limited

**Kriti Ladha**  
**Company Secretary & Compliance Officer**  
**M. No.: ACS 61729**  
**Date: May 16, 2022**



Date: May 16, 2022

Place: Nagpur

**Registered Office:**

1<sup>st</sup> Floor, Surya towers, 105,  
S P Road, Secunderabad, TG 500003

Phone: (040) 27813360

E-mail: [samba.ngp@gmail.com](mailto:samba.ngp@gmail.com)

Website: [www.suryaamba.com](http://www.suryaamba.com)

CIN: L18100TG2007PLC053831

ISIN: INE360J0101

### Annexure to Notice

Details of Directors seeking Re-appointment in the Notice at the ensuing Annual General Meeting is as follows pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 on General Meetings issued by the Institute of Company Secretaries of India:

S.No.	Particulars	Name of the Director	Name of the Director	Name of the Director
		Mr. Virender Kumar Agarwal	Mrs. Seema Agarwal	Mr. Mayank Agarwal
1.	Date of Birth	05/05/1967	22/11/1967	11/03/1990
2.	Age	55 years	55 years	32 years
3.	Director Identification Number	00013314	01430206	02749089
4.	Nationality	Indian	Indian	Indian
5.	Date of first appointment on the Board	05/05/2007	01/01/2009	01/08/2009



## Suryaamba Spinning Mills Limited

6.	Qualifications	Bachelor of Engineering (Textiles)	Bachelor of Arts	Industrial Engineering from Michigan University, USA and MFAB (Masters in Family Administered Business) from Indian School of Business, Hyderabad.
7.	Experience & Expertise in Specific functional areas	An industrialist with more than 30 years of experience in the Textile Industry, Managing Director of the Company. He has rich and varied experience in terms of manufacturing, sales, marketing, strategy and general management.	Rich and wide experience of Textile industry and significantly managing internal affairs of the Company.	Overall Business Management including functional expertise in Sales, Marketing, Finance, Strategic planning and Corporate Management.
8.	Directorship in other Listed Companies as on March 31, 2022	Nil	Nil	Nil
9.	Relationship with other Directors, Manager and Other Key Managerial Personnel of the Company	Spouse of Mrs. Seema Agarwal, Jt. Managing Director and Father of Mr. Mayank Agarwal, Wholetime Director	Wife of Mr. Virender Kumar Agarwal / Mother of Mr. Mayank Agarwal.	Son of Mr. Virender Kumar Agarwal and Mrs. Seema Agarwal.
10.	Shareholding in the Company	Holds 12,06,191 Equity Shares	Holds 6,42,250 Equity Shares	Holds 2,70,997 Equity Shares



## Suryaamba Spinning Mills Limited

11.	The number of Meetings of the Board attended during the year	6 out of 6	6 out of 6	6 out of 6
12.	Membership/ Chairmanship of Committees of other Boards	Nil	Nil	Nil



**FACTORY SITE AT NAGPUR**

**PLANT & MACHINARIES**



**FACTORY SITE AT NAGPUR**

**PLANT & MACHINARIES**





## BOARD'S REPORT

To  
The Members,  
Suryaamba Spinning Mills Limited  
Your Board of Directors present the 14<sup>th</sup> Annual Report of the company together with the Audited Financial Statements of Accounts for the financial year ended March 31, 2021.

### 1. FINANCIAL RESULTS

The Company has prepared financial results in accordance with the Companies (Indian Accounting Standards) Rules, 2015(Ind AS) prescribed under section 133 of the Companies Act, 2013.

The financial performance during the year ended March 31, 2021 has been summarized below:

Particulars	As at year ended March 31, 2022	As at year ended March 31, 2021
Revenue from operations	22,665.59	12,568.29
Other income	121.72	85.10
<b>Total Revenue</b>	<b>22,787.32</b>	<b>12,653.39</b>
<b>Earnings Before Interest, Taxes, Depreciation and Amortization</b>	<b>2,805.86</b>	<b>1,405.05</b>
Less : Finance Cost	473.42	438.16
Less : Depreciation and Amortization Expense	489.25	468.24
<b>Profit before Tax</b>	<b>1,843.19</b>	<b>498.65</b>
Less :Tax Expenses	398.41	73.69
<b>Profit for the period</b>	<b>1,444.78</b>	<b>424.97</b>
Other Comprehensive Income (net of tax)	16.48	6.65
<b>Total Comprehensive Income</b>	<b>1,461.26</b>	<b>431.62</b>
Earnings per share	49.28	14.49
<b>Retained Earnings - Opening Balance</b>	<b>1,949.11</b>	<b>1,539.27</b>
Add: Profit for the year	1,461.26	431.62
Amount appropriated during the year:		
Dividend including dividend tax paid	11.72	21.28
Transfer to General Reserves	-	0.50
<b>Retained Earnings - Closing Balance</b>	<b>3,398.65</b>	<b>1,949.11</b>



## 2. DETAILS OF OPERATIONS

The year under review was stressful one. Sluggishness in demand resulted to stress on selling prices of Yarn products, following with continuous drop in Raw material (Fiber) prices and Crude Oil prices, coupling with Russia-Ukraine War imposition of sanctions on IRAN by the US and also resulting to the Rupee depreciation. The different waves of Covid-19 in the last financial year resulted into economic uncertainty, especially in the manufacturing segment.

Due to operational pause, demand implosion and complete halt of supply chains as business began to shift their focus to protecting the well-being of employees and other stakeholders.

The revenue from operations during the financial year 2021-22 stood at ₹ 22,665.59 lakhs as compared to ₹ 12,568.29 lakhs in the previous financial year. Domestic revenue constitutes 75.90 % of total revenue from operations and Export revenue constitutes 22.89 % of total revenue from operations.

The operating profit (EBIDTA) of the Company has significantly increased from ₹1,405.05 lakhs in the previous year to ₹2,805.86 lakhs in the current year, resulted a welcoming increase of 99.70 %. Your Company recorded a net profit of ₹ 1,461.26 lakhs in the current year as compared to ₹431.62 lakhs in the previous year, registering a significant increase of 238.55 %. The Company has reported Earnings per Share of ₹ 49.28 during the current year against ₹14.49 in the previous year.

In the last quarter of the financial year it achieved a highest ever performance in terms of EBITA, Net Profit & Revenue.

## 3. DIVIDEND

Your Directors are pleased to recommend a dividend of Rs. 1/- per share for the year ended March 31, 2022, subject to shareholders' approval at the forthcoming 15<sup>th</sup> Annual General Meeting (AGM) of the Company. The total outgo on account of dividend to the shareholders will be ₹ 29.32 Lakhs (subject to deduction of TDS as per Section 194 of the Income Tax Act, 1961).

## 4. TRANSFER TO RESERVE

The Company has transferred Nil to the general reserve out of the amount available for appropriations for the financial year ended March 31, 2022.

## 5. INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Pursuant to the provisions of Section 124 and 125 of the Companies Act, 2013, read with rules made there under, the details / due dates for transfer of unclaimed / unpaid dividend to the Investors Education & Protection Fund (IEPF) by the Company are given in General Shareholders Information Section of Corporate Governance Report, forming part of this Annual Report.

The details of unclaimed dividend / shares are available on the website of the Company viz. [www.suryaamba.com/investors](http://www.suryaamba.com/investors).



## 6. FINANCE

Your Company continues to focus on judicious management of its working capital. Receivables, inventories and other working capital parameters were kept under strict check through a process of continuous monitoring.

### Rating

During the financial year 2022-23, India Ratings and Research (Ind-Ra) has affirmed Company a Long Term Issuer Rating of 'IND BBB'. The instrument wise rating actions are given below:

Instrument Type	Maturity Date	Size of Issue (million)	Rating/ Outlook
Term Loan	September 2023	INR 52.2	IND BBB/Stable
Non fund based facilities	-	INR 7.9	IND A3+
Fund-based working capital limit	-	INR 215	IND BBB/Stable
Non-fund-based working capital limit	-	INR 50	IND A3+
Term Loan	April 2028	INR 253.69 (increased from INR 248.65)	IND BBB/Stable

### Deposits

During the year under review the Company has not accepted any deposits in pursuance of Chapter V Companies (Acceptance of Deposits) Rules, 2014.

### Particulars of Loans, Guarantees or Investments

During the year under review, the Company has not granted any loans, neither provided guarantees nor made any investments covered in the register maintained under section 186 of the Companies Act, 2013.

## 7. CHANGES IN SHARE CAPITAL

There was no change in the share capital of the Company during the financial year under review.

## 8. DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the requirements under Section 134 of the Companies Act, 2013 with respect to the Directors' Responsibility Statement, the Board of Directors of the Company hereby confirms:



- (a) that in the preparation of the annual accounts for the Financial Year ended March 31, 2022, the applicable accounting standards have been followed;
- (b) that the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2022, and Profit and Loss Statement of the Company for that period;
- (c) that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) that the directors have prepared the annual accounts for the financial year ended March 31, 2022, on a going concern basis;
- (e) that the directors have laid down internal controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- (f) that the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively;

#### **9. STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS UNDER SUB-SECTION (6) OF SECTION 149 OF THE COMPANIES ACT, 2013.**

The Independent Directors have submitted the Declaration of Independence, as required pursuant to Section 149 (7) of the Companies Act, 2013 stating that they meet the criteria of independence as provided in Sub-Section (6) of section 149 of Companies Act, 2013.

#### **10. DIRECTORS AND KEY MANAGERIAL PERSONNEL**

##### Change in Directors and Key Managerial Personnel

During the financial year under review, Mr. Gajanan N. Chhawsaria was reappointed as a CFO of the Company w.e.f. August 13, 2021 for a further term of three years.

##### Re-appointment of Directors

- In accordance with the provisions of the Companies Act, 2013 and in terms of Articles of Association of the Company, Mr. Mayank Agarwal (DIN: 02749089), Whole-time Director of the Company is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.
- Mr. Virender Kumar Agarwal (DIN: 00013314), Managing Director of the Company was reappointed for a term of next five years w.e.f. from March 01, 2022 to February 28, 2027 subject to approval of shareholders.
- Mrs. Seema Agarwal (DIN: 01430206), Joint Managing Director of the Company is also proposed to be reappointed for a term of next five years w.e.f. from October 01, 2022 to September 30, 2027 subject to approval of shareholders.

##### Independent Directors

All the Independent Directors of the Company have been appointed for a fixed term of 5 (five) consecutive years from the date of their respective appointment / regularization in the AGM and they are not liable to retire by rotation. All Independent Directors have given declarations that



they meet the criteria of independence as laid down under Section 149(6) of the Act and Listing Regulations, 2015.

The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience and expertise in the fields of strategy, planning and execution, management and leadership, functional and managerial experience, legal and risk management, corporate governance systems and practices, finance, banking and accounts and they hold highest standards of integrity.

### **Board Effectiveness**

#### **Familiarization Policy:**

Pursuant to Regulation 25(7) of Listing Regulations, 2015, the Board has framed a policy to familiarize the Independent Directors about the Company. The policy is available on the website of the Company [www.suryaamba.com](http://www.suryaamba.com). The familiarization policy of the Company seeks to familiarize the Independent Directors with the working of the Company, their roles, rights and responsibilities, vis-a-vis the Company, the industry in which the Company operates, business model, etc.

#### **Board Evaluation:**

Pursuant to the provisions of the Act and Listing Regulations, 2015, the Board has carried out an evaluation of its own performance and that of the directors individually, as well as the evaluation of the working of the Board Committees. The manner of evaluation has been explained in the Corporate Governance Report.

Criteria for selection of Directors, KMPs and Senior leadership positions and their remuneration The Board on the recommendation of the Nomination and Remuneration Committee has framed a policy for selection and appointment of Directors, Senior Management Personnel and their remuneration. The policy is available on the Company's website [www.suryaamba.com](http://www.suryaamba.com). The policy contains, inter-alia, principles governing directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of directors, etc.

#### **Key Managerial Personnel**

Pursuant to the provisions of Sections 2(51) and 203 of the Act read with The Companies

(Appointment and Remuneration of Managerial Personnel) Rules, 2014, the following are the Key Managerial Personnel of the Company:

- ❖ Mr. Virender Kumar Agarwal, Managing Director;
- ❖ Mrs. Seema Agarwal, Joint Managing Director;
- ❖ Mr. Mayank Agarwal, Wholetime Director;
- ❖ Mr. Gajanan N. Chhawsaria, CFO; and
- ❖ Kriti Ladha, Company Secretary & Compliance Officer.

## **11. MEETINGS OF THE BOARD**

A calendar of prospective meetings is prepared and circulated in advance to the Directors. The details of Board and Committee meetings held during the year under review, are given in the Corporate Governance Report forming part of this Annual Report. The gap between these meetings was within the prescribed period under the Act and Listing Regulations, 2015



## 12. COMMITTEES OF THE BOARD

Currently the Board has four Committees:

1. The Audit Committee
2. The Nomination and Remuneration Committee
3. Corporate Social Responsibility Committee
4. Stakeholders Relationship Committee

### Audit Committee

The Audit Committee consists of Mr. Amit Goela, Chairman, Mr. Sushil Kapadia, Member and Mrs. Seema Agarwal, Member. All the recommendations made by the Audit Committee were accepted by the Board.

### Nomination and Remuneration Committee

The Nomination and Remuneration Committee consists of Mr. Amit Goela, Chairman, Mr. Sushil Kapadia, Member and Mr. Nilesh Panpaliya, Member.

Policy on directors' appointment and remuneration and other details:

The Company follows a policy on remuneration of directors and other senior managerial personnel. The Policy is recommended by the Nomination and Remuneration Committee and approved by the Board. More details of the same is given in the Corporate Governance Report.

### Corporate Social Responsibility Committee

The Corporate Social Responsibility consists of Mrs. Seema Agarwal, Chairman, Mr. Mayank Agarwal, Member and Mr. Amit Goela, Member.

This policy encompasses the Company's philosophy for giving back to society as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programmes for the welfare & sustainable development of the community at large.

### Corporate Social Responsibility Policy

The core theme of the Company's CSR policy is giving back to the society from which it draws its resources by extending helping hand to the needy and the underprivileged.

Corporate Social Responsibility is the commitment of business to contribute for sustainable economic development. It is the contribution of the corporate sector for philanthropic causes like education, health, water, sanitation, animal welfare, environment and community development. In alignment with vision of the company, through its CSR initiatives will continue to enhance value creation in the society, through its services, conduct & initiatives, so as to promote sustained growth of the society, in fulfilment of its role as a Socially Responsible Corporate, with environmental concern.

The Report on Corporate Social Responsibility as per Rule 8 of (Corporate Social Responsibility Policy) Rules, 2014 is enclosed as Annexure-II.

### Stakeholders Relationship Committee

Stakeholders Relationship Committee consists of Mr. Amit Goela, Chairman, Mr. Sushil Kapadia, Member and Mr. Mayank Agarwal, Member. The Scope of the committee shall include considering and resolving the



grievances of the security holders of the company which may arise due to any of the reasons cited in the Stakeholders Relationship Committee of the company.

### 13. AUDITORS

#### Statutory Auditors:

At the Annual General Meeting (AGM) held on August 13, 2020, Manish N Jain & Co., Chartered Accountants (ICAI Firm Registration Number 138430W), were appointed as Statutory Auditors of the Company to hold office for a period of five years and their appointment will be subject to the ratification of members at every Annual General Meeting. However, pursuant to the Companies (Amendment) Act, 2017, the ratification of the auditors at every annual general meeting of the company has been dispensed with.

The Report given by the Auditors on the financial statements of the Company is part of this Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report

#### Auditor's Report

The Auditor's Report to the Shareholders for the year under review does not contain any qualification or adverse remark.

#### Secretarial Auditor

The Board has appointed M/s Aarju Agrawal & Associates, a firm of Practicing Company Secretaries, Nagpur as the Secretarial Auditors to conduct Secretarial Audit of the Company for the Financial Year 2021-22 in compliance with the provisions of Section 204 of the Companies Act, 2013.

The Secretarial Audit Report issued by M/s Aarju Agrawal & Associates in Form MR-3 is enclosed as Annexure-III. The Report of the Secretarial Auditor annexed to this Report is self-explanatory and does not call for any further clarification. In addition to the above and pursuant to SEBI circular dated June 29, 2021, a report on Secretarial Compliance for F.Y. 2021-22 has been submitted to stock exchanges. There are no observations, reservations or qualifications in the said report.

#### Internal Auditor

The Board of Directors of the Company have appointed Miss Shreyata Khakole, Chartered Accountants having Membership Number: 174018 as Internal Auditors to conduct Internal Audit of the Company for the Financial Year 2022-23. They have confirmed their eligibility and have granted their consent to act as Internal Auditors of the Company for the financial year 2022-23.

#### Cost Auditor:

The Board of Directors have appointed M/s. G. R. Paliwal & Co., Cost Accountants (Firm Reg. No.100058), Nagpur for conducting the cost audit of the Company for the financial year 2022-23, in compliance to the provisions of Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit Rules,) 2014, on the recommendations made by the Audit Committee and has recommended his remuneration for the approval of Members at the ensuing Annual General Meeting.



As required under the Act, the remuneration payable to the Cost Auditor is required to be placed before the members in a general meeting for their ratification. Accordingly, a resolution seeking member's ratification for the remuneration payable to M/s. G. R. Paliwal & Co., Cost Accountants is included in the Notice convening the 15<sup>th</sup> AGM of the Company.

#### **14. CORPORATE GOVERNANCE REPORT**

The report on Corporate Governance as per Regulation 34(3) read with Schedule V of the SEBI Listing Regulations is included as a part of this Annual Report. The requisite certificate from Manish N Jain & Co., confirming the compliance with the conditions of Corporate Governance is attached to the Report on Corporate Governance.

#### **15. MANAGEMENT DISCUSSION AND ANALYSIS**

In terms of provisions of Regulation 34(2) of SEBI Listing Regulations report on Management Discussion & Analysis for the year under review is provided in a separate section forming part of this Annual Report.

#### **16. VIGIL MECHANISM/WHISTLE BLOWER POLICY**

Your Company has in place a vigil mechanism for directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of your Company's Code of Conduct. Under the vigil mechanism of the Company, which also incorporates a whistle blower policy in terms of Regulation 22 of the Listing Regulations, 2015, protected disclosures can be made by a whistle blower through an e-mail, or dedicated telephone line or a letter to the Chairman of the Audit Committee. Adequate safeguards are provided against victimization to those who avail of the vigil mechanism. The Policy on vigil mechanism/whistle blower policy may be accessed on the Company's website [www.suryaamba.com](http://www.suryaamba.com) Employees who join the Company newly are apprised of the availability of the said policy as a part of their induction schedule.

The above is in compliance of Section 177 (9) & (10) of the Companies Act, 2013 and in terms of Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### **17. DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS**

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

#### **18. CHANGE IN THE NATURE OF BUSINESS**

There has been no change in the nature of business of the Company during the financial year under review.

The details of significant material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

No significant or material orders were passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future during the year under review.





Material changes and Commitments, if any, affecting the financial position of the Company occurred after the closure of financial year till the time of adoption of this report.

No other material changes and commitments have occurred after the close of the year till the date of this Report, which affect the financial position of the Company. Further, there is no change in the nature of business of the Company.

## 19. RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. Your Company did not enter into any material related party transactions with Promoters, Directors, Key Managerial Personnel or other designated persons.

All Related Party Transactions are placed before the Audit Committee and also the Board for approval. Prior omnibus approval of the Audit Committee is obtained on an annual basis for transactions which are of a foreseeable and repetitive nature. A detailed statement of such Related Party Transactions entered into pursuant to the omnibus approval so granted are placed before the Audit Committee for their review on a quarterly basis. Suitable disclosures as required by the Indian Accounting Standards (Ind AS 24) have been made in the notes to Financial Statements.

The Company has formulated a Related Party Transactions Policy for the purpose of identification and monitoring of such transactions. The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website [www.suryaamba.com](http://www.suryaamba.com).

## 20. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The information with respect to Conservation of energy, technology absorption, foreign exchange earnings and outgo pursuant to Section 134(3)(m) of the Act read with Rule 8 of Companies (Accounts) Rules, 2014, are provided in the Annexure VI to this Report.

## 21. RISK MANAGEMENT POLICY

The Company has policy for identifying risk and established controls to effectively manage the risk. Further the company has laid down various steps to mitigate the identified risk. The audit committee has additional oversight in the area of financial risks and controls. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

Declaration with the compliance with the code of conduct by Members of the board and Senior Management personnel.

The Company has complied with the requirements about code of conduct for Board members and Sr. Management Personnel.

The said policy is available on the website of the Company [www.suryaamba.com](http://www.suryaamba.com)

## 22. MECHANISM FOR BOARD EVALUATION

The board of directors has carried out an annual evaluation of its own performance, board committees and individual directors pursuant to the provisions of the schedule IV of the Companies Act, 2013 and the



corporate governance requirements as prescribed by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Directors evaluation was broadly based on the parameters such as understanding of the Company's vision, objective, skills, knowledge and experience, participation and attendance in Board/ Committee meetings; governance and contribution to strategy; interpersonal skills etc.

The Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as evaluation of the working of its Board Committees. A structured questionnaire was prepared covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board Culture, execution and performance of specific duties, obligations and governance.

A meeting of the Independent Directors was also held which reviewed performance of non-independent directors, performance of the board as a whole and performance of the chairman after taking in to account the views of executive directors and non-executive directors. The same was discussed in the board meeting that followed the meeting of the independent directors, at which the performance of the board, its committees and individual directors was also discussed. Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated.

### **23. POLICY ON SEXUAL HARASSMENT**

The Company has adopted policy on Prevention of Sexual Harassment of Women at Workplace in accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act; 2013. The Company regularly conducts awareness programmes for its employees.

#### **Disclosure pertaining to sexual harassment of women at workplace**

During the Financial year ended March 31, 2022 the Company has neither received any complaints nor there are any pending complaints pertaining to sexual harassment, and the Company had created Internal Complaints committee.

### **24. ENVIRONMENT, HEALTH AND SAFETY**

The Company considers it is essential to protect the Earth and limited natural resources as well as the health and wellbeing of every person. The Company strives to achieve safety, health and environmental excellence in all aspects of its business activities. Acting responsibly with a focus on safety, health and the environment is part of the Company's DNA.

### **25. COMPLIANCE OF ACCOUNTING STANDARDS**

As per requirements of the Listing Regulations, 2015 and applicable Accounting Standards, your Company has made proper disclosures in the financial statements. The applicable Accounting Standards have been duly adopted pursuant to the provisions of Sections 129 and 133 of the Act.

### **26. SECRETARIAL STANDARDS**



## Suryaamba Spinning Mills Limited

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India. A certificate of compliances issued by the Secretarial Auditor M/s. Aarju Agrawal & Associates dated June 15, 2022 is enclosed as Annexure-III and forms part of this Report.

### **27. APPRECIATION & ACKNOWLEDGMENT**

The Company is grateful to its Customers, Shareholders, Suppliers, vendors, investors and academic partners Banks & Financial institutions, Central & State Government Authorities for their confidence reposed and constant support.

The Board of Directors also place on record their sincere appreciation of the contribution made by the employees at all levels, the consistent growth of the Company was made possible by their hard work, loyalty, dedication, coordination and support.



## Annual Report on Corporate Social Responsibility

### [Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014]

1. CSR policy encompasses the company's philosophy for delineating its responsibility as a Corporate Citizen and lays down the guidelines and mechanism for carrying out socially useful activities, projects and programmes for welfare and sustainability, development of community at large.
2. The Company has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013 and rules made thereunder and the same is placed on the Company's website and the web link for the same is [www.suryaamba.com](http://www.suryaamba.com).
3. The Company's CSR Policy seeks to touch and transform people's lives by promoting education, health care and employment opportunities. Indeed, it seeks to evaluate the quality of people especially the disadvantaged sections of the society.

#### Identified Areas of Engagement:

1. Promoting education, including special education and employment enhancing vocational skills among children and women.
2. Eradicating hunger and poverty and malnutrition and sanitation and making available safe drinking water and
3. Animal Welfare.
4. Promoting health care including preventive health care.

#### Composition of CSR Committee:

The CSR Committee comprises of the following:

Mrs. Seema Agarwal	-	Chairman
Mr. Mayank Agarwal	-	Member
Mr. Amit Goela	-	Member

Average Net profits of last three Financial Years:

(₹ in Lakhs)

Net Profit for the preceding three Financial year	2017-18 (₹)	2018-19 (₹)	2019-20 (₹)
	354.56	436.58	749.58
Average	513.57		
Prescribed CSR Expenditure (2% of Average Net Profits)	10.27146		



## Suryaamba Spinning Mills Limited

The Company has made the commitment for spending the ₹ NIL Lakhs (Prev Year ₹ 4.51 Lakhs) towards Corporate Social Responsibilities to make the aggregate spending equivalents to at least two percent (2%) of the average net profit of the Company made during the three immediately preceding financial year. During the immediate preceding financial year, the Net Profit of the Company was below the threshold limit as specified under 135 of the Companies Act, 2013, hence Corporate Social Responsibility is not applicable for the current financial period, thus the commitment for the current financial period, was computed at ₹ NIL.

Total Corporate Responsibility Expenditure arises last year was ₹ 10.27 Lakhs out of which the company has already spent ₹ 5.77 Lakhs last year and remaining ₹ 4.51 Lakhs spent on the identified areas as approved by the Board for the Financial Year ended March 31, 2022. The details are as below:

S. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs Wise	Amount spent projects or programs Subheads (1) Direct expenditure on projects or programs. (2) Overheads	Cumulative expenditure up to the reporting period 1st April, 2020 to 31st March, 2021	Amount Spent: Direct or through implementing agency
1	Healthcare and sanitation	<ul style="list-style-type: none"> <li>• Conducting free medical checkups for villagers;</li> <li>• Providing life saving drugs &amp; medical equipments to villagers; &amp;</li> <li>• Providing masks &amp; sanitizers.</li> </ul>	Nayakund, Dist. Nagpur	0.56	0.56	0.56	Direct
2	Funding Non Govt.	<ul style="list-style-type: none"> <li>• Donation for charity;</li> <li>• Donation for</li> </ul>	ISKCON, Nagpur	0.75	0.75	0.75	Through implementing



**Suryaamba Spinning Mills Limited**

Organizations	gaushalas; & • Donation for medical facilities for old & sick cows.						Agency – ISKCON, India
<b>Total</b>			<b>4.51</b>	<b>4.51</b>	<b>4.51</b>		

All the legal compliance relating to CSR has been duly made by the Company in respect of committee, policy etc. New Form CSR-2 specified by the Ministry of Corporate Affairs (MCA) has been duly filed by the Company.

The CSR Committee confirms that the implementation and monitoring of the CSR Policy is in compliance with the CSR Objectives and Policy of the Company.

**MAYANK AGARWAL**  
Member of CSR Committee

**SEEMA AGARWAL**  
Chairman of CSR Committee



**Information as required under section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 forming part of Directors Report for the year ended March 31, 2022.**

The information as per Section 134 of the Companies Act, 2013 has to be presented:

**A. Conservation of energy**

**i. The steps taken or impact on conservation of Energy:**

Synchronized Maintenance schedules, installed horizon series, screw, and compressor, conducted regular energy audit and taken immediate steps to curtail power consumption

**ii. The Steps taken by the Company for utilising alternate sources of Energy:**

The company looks to explore the possibility of solar power as a green energy. There was no major capital investment on energy conservation equipment's during the year.

**iii. The Capital Investment on energy conservation equipments: Nil**

**B. Technology absorption:**

The Company is continuously making efforts for adaptation of latest technology at its unit to improve the performance, quality and cost effectiveness of its products, upgrading its plant and Machinery. The Company focuses to pioneer the launch of new products that have been successful in the market to adapt at its unit.

The Company has been continuously improving the quality of its existing products and entered into new products and also to reduce the cost of production and optimum energy utilization.

The Company has not imported any technology during the last three years reckoned from the beginning of this financial year 2021-22. Therefore, no such disclosure on details of technology imported, year of import and absorption of technology are applicable.

During the year the company has not made any expenditure on research & development.

**C. Foreign exchange earnings and outgo:**

The details of foreign exchange earnings in terms if actual inflow and outflows during the year are detailed in Note No. 41 of the Financial Statements.

By Order of the Board of Directors

Place: Nagpur

VIRENDER KUMAR AGARWAL

SEEMA AGARWAL

Date : May 16, 2022

Managing Director

Joint Managing Director

DIN : 00013314

DIN : 01430206



# CORPORATE GOVERNANCE REPORT

## 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance is the application of best management practices, compliance of law in true letter and spirit and adherence to ethical standards for effective management and distribution of wealth for sustainable development of all stakeholders.

Corporate Governance practices constitute the strong foundation on which successful organizations are built to last. The Company is committed to the adoption of best governance practices and their adherence in true spirit at all times. The Company always aims towards building trust and enhancing its stakeholders' values on a sustainable basis. The Company strives to promote good governance practices through "Pancha Tatva – 5 values 1 way of life" encompassing Transparency, Integrity, Responsibility, Passion for Excellence and Respect, towards all its stakeholders. Effective Corporate Governance practices have been the Company's hallmark inherited from its culture and ethos.

## 2. BOARD OF DIRECTORS ('Board')

### Composition of Board

The composition of the Board of the Company is in conformity with Regulation 17 of the Securities and Exchange Board of India

(Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). The Board consists of experienced

and eminent professionals with expertise in varied fields. The composition of the Board, an optimum mix of Independent, Non-executive and Executive Directors, including an Independent Woman Director is in line with the provisions of the Companies Act, 2013 ('the Act') and the Listing Regulations as amended from time to time. The profile of Directors is available at

<https://www.suryaamba.com>. The day-to-day management of the Company, under the superintendence of the Board, is vested with the Managing Director, who is supported by a competent Management team. He is responsible for the business performance, driving growth and implementation of the strategic decisions taken at the Board level.

The composition of the Board and Directorship / Committee positions of the Directors in other companies are as follows:

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

The Company has always adhered to good corporate governance practices and maintained the highest levels of fairness, transparency, accountability, ethics and values in all facets of its operations.

The Company believes that high standards of Corporate Governance are the critical to ensure the business success. We feel proud that we have laid a strong foundation stone for good governance long back. The Company has always believed in conducting its affairs in a fair and transparent manner and in maintaining the highest ethical standards in its dealings with all its constituents. Suryaamba mission is to constantly review its systems and procedures to achieve the highest level of Corporate Governance in the overall interest of all the stakeholders.

The Company firmly believes in following the best standards of business practices and ethics to conduct its operations and follows the principle of transparency, integrity, accountability and equity while dealing with its shareholders, lenders, employees, government, other stakeholders and society at large. The Company's





## Suryaamba Spinning Mills Limited

philosophy on Corporate Governance is in line with SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (hereinafter called as “Listing Regulations”). The Company has Professionals on its Board of Directors who are actively involved in the deliberations of the Board on all important policy matters.

The Company's Governance framework is based on the following principles:

- Appropriate Composition of Board of Directors where every member is having expertise in their domain.
- Availability of information to the members of Board and Committees enabling them to discharge their fiduciary duties.
- Timely disclosure of material, operational and financial information to the stakeholders.
- Proper business conducted by the Board and Senior Management.
- System and processes are in place for internal control.

A Report on Compliance with the Principles of Corporate Governance as prescribed by the Securities & Exchange Board of India (SEBI) in Chapter IV read with Schedule V of the Listing Regulations is given below:

### a) Composition, category of Directors and attendance record for the year 2021-22

The Board of the Company is broad-based and consists of eminent personalities from Industrial, Managerial, Technical, Financial and Marketing backgrounds. The Company is managed by the Board of Directors in co-ordination with the Senior Management Team. The composition and strength of the Board is reviewed from time to time for ensuring that it remains aligned with statutory as well as business requirements. The Company has a Judicious Combination of Executive and Non-Executive Directors. The Companies Act, 2013 and regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 govern the composition of the Board of Directors. The Board comprises a combination of Executive and Non-Executive Directors. Presently it consists of Six Directors out of which three are Executive Directors and three are Non-Executive Independent Directors. The Company has Executive Chairman. Non-Executive Directors bring independent views and judgment in the decision-making process of the Board.

Constitution of the Board, there category, participation of Directors at meetings of the Board during the year 2021-22 and attendance at the last Annual General Meeting held on July 24, 2022.

Name of Director	Category	No of Board Meetings		Attendance at the last AGM
		Held	Attended	
Mr. Virender Kumar Agarwal	Executive/Promoter	5	5	Present
Mrs. Seema Agarwal	Executive/Promoter	5	5	Present
Mr. Mayank Agarwal	Executive/Promoter	5	5	Present
Mr. Amit Goela	Non-Executive Independent	5	5	Present
Mr. Sushil Kapadia	Non-Executive Independent	5	5	Absent



## Suryaamba Spinning Mills Limited

Mr. Nilesh Panpaliya	Non-Executive Independent	5	5	Present
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### b) Number of other Companies' Directorships & Committee Membership / Chairmanship:

#### Board Procedures and Information Supplied to the Board:

Your Company holds generally at least four Board Meetings in a year, one in each quarter to review the financial results and other items of the agenda and the gap between the two Board Meetings do not exceed four calendar months. Apart from the four scheduled Board meetings, additional Board meetings are also convened to address the specific requirements of the Company. Urgent matters are also approved by the Board by passing resolutions through circulation. Every Director on the Board is free to suggest any item for inclusion in the agenda for the consideration of the Board.

The Board has complete access to all information with the Company. All Board meetings are governed by a structured agenda given well in advance. The minutes of proceedings of each Board and Committee meeting are recorded and entered in the minutes book within 30 days from the conclusion of the meeting.

The information pertaining to mandatory items as specified in the Listing Regulations, Companies Act, 2013 and other applicable laws, along with other business issues, is placed before the Board. The Members of the Board have complete freedom to express their opinion and decisions are taken after detailed discussion.

### c) Number of Board meetings:

In compliance with the provisions of Regulation 17 of the Listing Regulations, the intervening period between two Board Meetings was within the maximum gap of one hundred and twenty days. During the year under review, five Board meetings were held during the year on May 29, 2021, August 14, 2021, September 20, 2021, November 13, 2021, and February 12, 2022.

### d) Disclosure of relationships between inter-se:

The Promoter Executive Directors are relatives of each other in terms of Section 2(77) of the Companies Act, 2013, disclosure of relationships between Directors inter-se is as given below:

S. No.	Executive Directors	Relationship with other Directors
1.	Mr. Virender Kumar Agarwal	Husband of Mrs. Seema Agarwal /Father of Mr. Mayank Agarwal
2.	Mrs. Seema Agarwal	Wife of Mr. Virender Kumar Agarwal /Mother of Mr. Mayank Agarwal
3.	Mr. Mayank Agarwal	Son of Mr. Virender Kumar Agarwal and Mrs. Seema Agarwal

No inter-se relationship with any of the Non Executive Independent Directors of the Company.

### e) Number of shares and convertible Instruments held by Non-executive Directors:

None of the Non-Executive Directors of the Company held shares and convertible Instruments.



- f) Details of familiarization programmes imparted to independent Directors: [www.suryaamba.com](http://www.suryaamba.com)
- g) List of Board's skills/expertise/competencies fundamental for the effective functioning of the Company:

<b>Global Business</b>	Understanding the dynamics of global business relating to the operations of the Company.
<b>Strategy &amp; Planning</b>	Appreciation of long-term trends, strategic choices and experience in guiding and leading management teams to make decisions in uncertain environments
<b>Governance</b>	Experience in developing governance practices, serving the best interests of all stakeholders, maintaining board and management accountability, building long-term effective stakeholder engagements and driving corporate ethics and values
<b>Leadership</b>	Experience in significant enterprise, distinct roles and responsibilities through organization structure, risk management and talent development and succession planning

- h) **Confirmation that in the opinion of the board, the independent directors fulfil the conditions specified in these regulations and are independent of the management:**  
The Board of Directors be and is hereby confirm that in the opinion of the Board, the Independent Directors fulfil the conditions specified by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and they are independent of the management.
- i) **Detailed reasons for the resignation of an independent director who resigns before the expiry of his tenure:**  
None of the Independent Directors of the Company were resigned from the board during the year under review.

#### 4. AUDIT COMMITTEE

The Audit committee of the Board of directors was constituted in conformity with the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations.

- a) **Brief description of terms of reference:**
  - i. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
  - ii. Scrutiny and review of all financial transactions, inter corporate loans, investments, funds utilization, related party transactions and the general financial condition of the Company;
  - iii. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company and approval of remuneration of auditors;
  - iv. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
  - v. Reviewing, with the management, the periodic financial statements and auditor's report thereon before submission to the Board for approval;



- vi. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- vii. Evaluation of internal financial controls and risk management systems;
- viii. To review the functioning of the Whistle Blower mechanism;
- ix. To review statement of deviations in reporting to monitoring agencies.

**b) Composition, names of the members and Chairman:**

In compliance with Regulation 18 of SEBI (LODR) Regulations, 2015 and section 177 of the Companies Act, 2013 the Board of Directors of the Company has constituted an Audit Committee comprising of the following three Non-Executive Independent Directors:

S. No.	Name of the Member	Designation
1.	Mr. Amit Goela	Chairman
2.	Mr. Sushil Kapadia	Member
3.	Mrs. Seema Agarwal	Member

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

During the year 2021-22, Five Audit Committee meetings were held on May 29, 2021, August 14, 2021, September 20, 2021, November 13, 2021, and February 12, 2022.

The attendance of each member of the Committee is given below:

S. No.	Name of the Member	Number of Meetings attended
1.	Mr. Amit Goela	5
2.	Mr. Sushil Kapadia	5
3.	Mrs. Seema Agarwal	5

**5. NOMINATION AND REMUNERATION COMMITTEE**

The Nomination and Remuneration committee of the Board of directors was constituted in conformity with the requirements of Section 178 of the Companies Act, 2013 and Regulation 19 of Listing Regulations and its role has been the same as stipulated in the Act and the Regulations mentioned above.

**A. Brief description of terms of reference:**

The functioning and terms of reference of the Nomination and Remuneration committee are as prescribed under the erstwhile listing agreement and the Listing Regulations. It determines the Company's policy on all elements of the remuneration packages of the directors including the executive directors and Key management personnel. The role of the committee includes the following:

- i. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board of directors a policy relating to, the remuneration of the directors, Key Managerial Personnel and other employees;



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- ii. Formulation of criteria for evaluation of performance of Independent directors and the Board of directors;
  - iii. Devising a policy on diversity of Board of directors;
  - iv. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommending to the Board of directors for their appointment and removal;
  - v. Performance evaluation of independent directors; and
  - vi. Recommend to the board, all remuneration, in whatever form, payable to senior management.
- B. Composition, names of the members and Chairman:**

In compliance with Regulation 19 of SEBI (LODR) Regulations, 2015 and section 178 of the Companies Act, 2013, the Board of Directors of the Company has constituted Nomination and Remuneration Committee comprising of the following three Non-Executive Independent Directors:

S. No.	Name of the Member	Designation
1.	Mr. Amit Goela	Chairman
2.	Mr. Sushil Kapadia	Member
3.	Mr. Nilesh Panpaliya	Member

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

**C. Meetings and Attendance during the year**

During the year 2021-22, three Nomination and Remuneration Committee meetings were held on August 12, 2021, September 20, 2021 and November 13, 2021.  
The attendance of each member of the Committee is given below:

S. No.	Name of the Member	Number of Meetings attended
1.	Mr. Amit Goela	3
2.	Mr. Sushil Kapadia	3
3.	Mr. Nilesh Panpaliya	3

**D. Performance evaluation criteria:**

The Company has devised a Policy for Performance Evaluation of Independent Directors, Board, Committees and other individual Directors. The performance evaluation of Independent Directors shall be done by the entire Board of Directors (excluding the director being evaluated). On the basis of the report of performance valuation, it shall be determined whether to extend or continue the term of appointment of the Independent Director.

Independent Directors are expected to provide an effective monitoring role and to provide help and advice for the executive directors. The broad issues considered in evaluating Independent Directors are:

- Contribution to and monitoring Corporate Governance practices.
- Ability to contribute to address top management issues.
- Active participation in long term strategic planning.
- Commitment to the fulfilment of obligations and responsibilities.

## 6. REMUNERATION



### Executive Directors

The Nomination and Remuneration Committee recommends to the Board, the Compensation of the Managing Directors and Executive Director of the Company keeping in view Company's financial status, past performance, past remuneration and future growth potential.

The remuneration of the Non-Executive Directors' of the Company is decided by the Board of Directors, based on the recommendation of Nomination and Remuneration Committee. None of the Non-executive Directors of the Company is entitled to receive any payment from the Company other than by way of sitting fees for attending the Meetings of Boards and its Committees. The remuneration package comprises of salary, perquisites and allowances, commission, contributions to Provident and other Retirement Benefit Funds.

The tenure of office of the Managing Director, Joint Managing Directors and Whole time Director is for 5 years from their respective dates of appointment with three months notice period. There is no separate provision for payment of severance fees.

Presently, the Company does not have a stock options scheme for its Directors.

### Non-Executive Directors:

Non-Executive Independent Directors were only paid sitting fees for attending Board and Board Committee meetings for the FY 2021-22.

None of the Non-Executive Directors held any shares in the Company.

No stock options were issued by the Company during the year under report.

Further apart from sitting fee, non-executive directors are entitled to claim reimbursement of out of pocket expenses incurred for the purpose of attending various meetings and no remuneration is paid to the non-executive directors.

**A detail of remuneration paid to the Directors during the year 2021-22 is as given below:**

Name of the Director	Salary & Perquisites	Contribution to PF	Sitting Fees*	Commission	Total	No. of shares held
Mr. Virender Agarwal	28.00	2.01	-	-	29.84	12,06,191
Mrs. Seema Agarwal	22.56	1.72	-	-	24.28	6,42,250
Mr. Mayank Agarwal	17.86	1.36	-	-	19.22	2,70,997
Mr. Amit Goela	-	-	0.25	-	0.25	
Mr. Sushil Kapadia	-	-	0.25	-	0.25	



## Suryaamba Spinning Mills Limited

Mr. Nilesh Panpaliya	-	-	0.25	-	0.25	
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\*The above excludes conveyance and out of pocket expenses.

The Nomination and Remuneration Policy of the Company can be accessed at the Company's website at the link <http://www.suryaamba.com/investors/policies/>

### 7. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee is empowered, inter alia, to review all matters connected with the Company's share transfers and transmissions and redressal of shareholders'/investors' complaints like non-transfer of shares, non-receipt of dividend, Annual Report etc.

The composition and the terms of reference of Committee are in line with the requirements of provisions of the Companies Act, 2013 and Regulation 20 of SEBI Listing Regulations.

#### A. Brief Description of the terms of reference:

The terms of reference of the Stakeholder Relationship Committee are extensive covering the mandatory requirements under Regulation 20(4) read with Part D of Schedule II of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Section 178 of the Companies Act, 2013, which includes attending and resolving investors' grievances / complaints of security holders included but not limited to the matters pertaining to transfer of shares, issue of duplicate share certificates, non-receipt of annual report and non-receipt of declared dividend, etc.

#### B. Composition & attendance in committee meeting(s):

The Stakeholders Relationship Committee consists of One Non-Executive Independent Directors and Two Executive Directors of the Company. The Company Secretary is the Compliance Officer of the Company and is responsible for attending to complaints / grievances of the members.

S. No.	Name of the Member	Designation
1.	Mr. Amit Goela	Chairman
2.	Mr. Sushil Kapadia	Member
3.	Mrs. Seema Agarwal	Member

#### C. Meetings and Attendance during the year

During the year under review, four Stakeholder Relationship Committee were held on May 29, 2021, August 14, 2021, September 20, 2021 and November 13, 2021.

S. No.	Name of the Member	Number of Meetings attended
1.	Mr. Amit Goela	4
2.	Mr. Sushil Kapadia	4
3.	Mrs. Seema Agarwal	4



**The status of the shareholder's complaints is as follows:**

1.	Number of Shareholders complaints received so far	Nil
2.	Number of Shareholders complaints not resolved to the satisfaction of shareholders	Nil
3.	Number of pending complaints	Nil

**8. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

The Corporate Social Responsibility Committee of the Board of directors was constituted in conformity with the requirements of Section 135 of the Companies Act, 2013.

**A. Brief description of terms of reference:**

The terms of reference of the CSR Committee includes but is not limited to the following:

- i. formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act;
- ii. recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
- iii. monitor the Corporate Social Responsibility Policy of the Company from time to time.

**B. Composition, names of the members and Chairman:**

In compliance with Section 135 of the Companies Act, 2013, the Board of Directors of the Company has constituted a Corporate Social Responsibility Committee. The Corporate Social Responsibility Committee (CSR) presently comprises of three directors including one independent director i.e. Mr. Amit Goela. (in compliance of Law).

S. No.	Name of the Member	Designation
1.	Mrs. Seema Agarwal	Chairman
2.	Mr. Mayank Agarwal	Member
3.	Mr. Amit Goela	Member

**C. Meetings and Attendance during the year**

During the year under review i.e. 2021-22 one Corporate Social Responsibility Committee meeting was held on February 12, 2022. The attendance of each member of the Committee is given below:

S. No.	Name of the Member	Number of Meetings attended
1.	Mrs. Seema Agarwal	1





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2.	Mr. Mayank Agarwal	1
3.	Mr. Amit Goela	1

### D. Report on CSR activities:

A report on CSR activities as prescribed under the Act and rules made thereunder is annexed to the Board Report.

## 9. GENERAL BODY MEETINGS

### A. Location, date and time for last three Annual General meetings are:

Financial Year	Date	Venue	Time
2020-21	July 24, 2021	Through Video Conferencing /Other Audio Visual Means	12 Noon
2019-20	August 13, 2020	Through Video Conferencing /Other Audio Visual Means	12:30 P.M.
2018-19	August 19, 2019	Kamat Lingapur Hotel, 1-10-44/2, Chikoti Gardens, Begumpet, Hyderabad- 500016	10:30 A.M

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

Date	No. of Special Resolutions Passed
July 24, 2021	0
August 13, 2020	1
August 19, 2019	6

### C. Special Resolutions passed through Postal Ballot:

During the year under review, no resolutions were put through by Postal Ballot. Further, no special resolution is being proposed to be passed through Postal Ballot.

Person who conducted the postal ballot exercise: NA

Procedure for postal ballot - Does not arise

#### Scrutinizer

M/s Aarju Agrawal & Associates, Practicing Company Secretaries, was appointed as the scrutinizer for carrying out the above postal ballot in a fair and transparent manner.

#### E-Voting



The company has availed the services of NSDL for conducting the E-Voting.

**Procedure for postal ballot:**

The procedure for postal ballot will be as per Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014.

**10. MEANS OF COMMUNICATION**

**A. Financial Results:**

The quarterly, half-yearly and annual results of the Company were normally published by the Company in the newspapers.

Annual reports with audited financial statements are sent to the shareholders through permitted mode.

The quarterly and annual financial results are forthwith uploaded on the designated portals of the Stock Exchanges where the Company's shares are listed viz., BSE Online Portal of BSE Limited (BSE).

**B. Newspapers in which Quarterly results normally published:**

The results are normally published within 48 hours of declaration in Business Standard (English Daily, Hyderabad and Mumbai) and Nava Telangana (Telugu Daily, Hyderabad).

**C. Website, where the results and other official news releases are displayed**

The results are also displayed on the Company's website: [www.suryaamba.com](http://www.suryaamba.com)

**D. Whether it also displays official news releases:**

Press releases made by the Company from time to time are also displayed on the Company's website.

**E. BSE Corporate Compliance & Listing Centre (the 'Listing Centre'):**

BSE's Listing Centre is a web-based application designed for Corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are also filed electronically on the Listing Centre. Material events or information as detailed in Regulation 30 of the Listing Regulations are uploaded on portal of BSE Limited.

**F. Reminders to Shareholders:**

Reminders for claiming unclaimed shares lying with the Company which are liable to be transferred to the Investor Education and Protection Fund Authority are sent to the Shareholders as per Company records.

The Company proposes to send documents like shareholders meeting notice/ other notices, audited financial statements, Directors' report, auditor's report or any other document, to its members in electronic form at the email address provided by them and/or made available to the company by their depositories. Members who have not yet registered their email id (including those who wish to change their already registered email id) may get the same registered/ updated either with their depositories or by writing to the Company at [cssuryaamba@gmail.com](mailto:cssuryaamba@gmail.com).

**G. SCORES (SEBI complaints redressal system):**

SEBI processes investor complaints in a centralized web based complaints redressal system i.e. SCORES. Through this system a shareholder can lodge complaint against a Company for his grievance. The Company uploads the action taken on the complaint which can be viewed by the shareholder. The Company and shareholder can seek and provide clarifications online through SEBI.

**H. Exclusive email ID for Investors:**

The Company has designated the email-id [cssuryaamba@gmail.com](mailto:cssuryaamba@gmail.com) exclusively for investor servicing.



## Suryaamba Spinning Mills Limited

### I. Presentations to Institutional Investors or Analysts:

During the year under review, no presentations were made to the investors or analyst and no official news releases were made.

Further, Management Discussion and Analysis Report forms a part of this Report.

### 11. GENERAL SHAREHOLDER INFORMATION

#### A. Annual General Meeting

Date : July 09, 2022  
Time : 12 Noon  
Venue : Will be held through Video Conferencing  
(VC)/Other Audio-Visual Means (OAVM) means

- B. Financial Calendar : 1<sup>st</sup> April to 31<sup>st</sup> March.  
C. Date of Book closure : July 03, 2022 to July 09, 2022 (Both days inclusive)  
D. Dividend Payment Date : Within 30 days from the date of Annual General meeting.  
E. Listing on Stock Exchanges : BSE Limited.

Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai - 400 001.  
Scrip Code: 533101

The company has paid listing fees to the BSE for the year 2022-23.

#### Financial Calendar:

Financial Year: 1<sup>st</sup> April to 31<sup>st</sup> March

For the financial year ended March 31, 2022, results were announced on:

- First Quarter – August 14, 2021
- Half Yearly – November 13, 2021
- Third Quarter – February 12, 2022
- Fourth Quarter and Annual – May 16, 2022

#### Tentative financial calendar:

- Next financial year – 1<sup>st</sup> April, 2022 to 31<sup>st</sup> March, 2023, results will be announced tentatively (subject to change) by:
- First Quarter Results & Limited Review – On or before August 14, 2022
- Second Quarter Results & Limited Review – On or before November 14, 2022
- Third Quarter Results & Limited Review – On or before February 14, 2023
- Audited Annual Results (2021-22) – On or before May 30, 2023

Annual General meeting for the year ending March 31, 2023 – On or before September 30, 2023.

#### F. Market Price Data:

Monthly high and low quotations as well as the volume of shares traded at BSE for the financial year 2021-22 are as follows:



## Suryaamba Spinning Mills Limited

Month	High Price (₹)	Low Price (₹)	Closing Price (₹)	Volume
Apr-21	77.45	60.1	64.1	7167
May-21	97.75	62.3	91.2	88369
Jun-21	111.1	85.2	100.40	175488
Jul-21	182.7	97.05	182.7	221646
Aug-21	191.5	124.8	148.7	215758
Sep-21	167.85	133.33	146.6	51937
Oct-21	177.95	137	153.85	80402
Nov-21	202.40	139	183.4	136982
Dec-21	207	173.65	187.4	111774
Jan-22	254.75	184.15	208.75	144932
Feb-22	230	192	199.5	65739
Mar-22	211.5	178.05	180.1	43591

### H. Registrar & Transfer Agents:

Members may correspond with the Company's RTA, quoting their folio numbers/ DP ID and Client ID at the following addresses:

#### **KFin Technologies Limited**

(Formerly known as "KFin Technologies Private Limited")

Selenium Building, Tower B, Plot No.31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad- 500 032, Telangana.

Ph. No. 040-6716 2222, 3321 1000

E-mail: einward.ris@kfintech.com, kfinkart.support@kfintech.com / reachus@kfintech.com

Website: <https://www.kfintech.com>

### I. Share Transfer System:

KFin Technologies Private Limited, Hyderabad, is the Company's Registrars and Share Transfer Agents. Share Transfers are registered and returned in the normal course within a period of less than 15 days from the date of receipt, if the documents are in order in all respects, in line with Schedule VII to the Listing Regulations. Request for dematerialization of shares are processed



## Suryaamba Spinning Mills Limited

and confirmation is given to the respective depositories, i.e., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) within 15 days. The Registrars and Share Transfer Agents were delegated the power of share transfer to expedite the transfer formalities.

It is in line with Schedule VII of the LODR and Reg. 40 of the Listing Regulations.

Pursuant to Regulation 40(9) of the Listing Regulations, certificates, on half yearly basis have been issued by a Company Secretary in- Practice (PCS) for due compliance of share transfer formalities by the Company and a quarterly Reconciliation of Share Capital Audit is carried out by qualified PCS, to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued/ paid-up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialized form (held with NSDL and CDSL).

### J. Distribution schedule and shareholding pattern as on March 31, 2022:

Range of Equity Shares Held	As on March 31, 2022			
	Shareholders		Shareholding	
	Number	%	Number	%
1-5000	2423	92.23	2271600.00	7.75
5001- 10000	108	4.11	852330.00	2.91
10001- 20000	44	1.67	658290.00	2.25
20001- 30000	15	0.57	374730.00	1.28
30001- 40000	13	0.49	465980.00	1.59
40001- 50000	3	0.11	137500.00	0.47
50001- 100000	8	0.30	522990.00	1.78
100001 & Above	13	0.49	24036020.00	81.98
<b>TOTAL:</b>	<b>2627</b>	<b>100.00</b>	<b>29319440.00</b>	<b>100.00</b>

### K. Dematerialization of Shares & Liquidity:

The Company's shares have been mandated for compulsory trading in demat form. Valid demat requests received by the Company's Registrar are confirmed within the statutory period.

International Securities Identification Number (ISIN) allotted for the Company by NSDL and CDSL is INE360J01011.



## Suryaamba Spinning Mills Limited

In case a member wants his shares to be dematerialized, he may send the shares along with the request through his depository participant (DP) to the Registrars, KFin Technologies Limited.

The Company's Registrars promptly intimate the DPs in the event of any deficiency and shareholders are also kept abreast. Pending demat requests in the records of the Depositories, if any, are continually reviewed and appropriate action initiated.

As on March 31, 2022, 29,04,021 shares out of total 29,31,944 shares of the Company representing 99.047 % of the Company's share capital were held in dematerialized form.

### L. Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on Equity:

We have no GDRs/ADRs or any commercial instrument.

### M. Commodity price risk or foreign exchange risk and hedging activities:

The Company is not carrying on any Commodity Business and has not undertaken any hedging activities.

### N. Plant Location:

Nagpur Plant	Survey No. 300, Nayakund, Parseoni Road, Near Ramtek Dist. Nagpur- 441105, Maharashtra.
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### O. Address of Correspondence:

For share transfer /dematerialization of shares, payment of dividend and any other query relating to the shares	KFin Technologies Limited Selenium Building, Tower B, Plot No.31 & 32, Gachibowli, Financial District, Nanakaramguda, Serilingampally, Hyderabad- 500 032, Telangana. Fax No. – 040-23001153 040-6716 2222, 3321 1000 E-mail: einward.ris@kfintech.com,kfinkart.support@kfintech.com / reachus@kfintech.com Website: <a href="https://www.kfintech.com">https://www.kfintech.com</a>
For any other matter or any other queries can correspond with Company Secretary & Compliance Officer of the Company	Registered Office: Surya Towers, 1 <sup>st</sup> Floor, 105, Sardar Patel Road, Secunderabad- 500003, Telangana. Tel. No. 040 27813360 E-mail: <a href="mailto:cssuryaamba@gmail.com">cssuryaamba@gmail.com</a>



## Suryaamba Spinning Mills Limited

Corporate Office: A-101, Kanha Apartment, 128, Chhaoni, Katol Road, Nagpur-440 013, Maharashtra.  Tel. No. 0712-2591072  E-mail: cssuryaamba@gmail.com
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### Credit Rating

India Ratings & Research has revised the Suryaamba Spinning Mills Limited (SSML) Outlook to Stable from Negative while affirming its Long-Term Issuer Rating at 'IND BBB'. The instrument-wise rating actions are as follows:

Instrument Type	Maturity Date	Size of Issue (million)	Rating/ Outlook
Term Loan	September 2023	INR 52.2	IND BBB/Stable
Non fund based facilities	-	INR 7.9	IND A3+
Fund-based working capital limit	-	INR 215	IND BBB/Stable
Non-fund-based working capital limit	-	INR 50	IND A3+
Term Loan	April 2028	INR 253.69 (increased from INR 248.65)	IND BBB/Stable

## 12. DISCLOSURES

- **Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large:**

All material transactions entered into with related parties as defined under the Act and Regulation 23 of Listing Regulations during the financial year were in the ordinary course of business. These have been approved by the Audit committee. The Board has approved a Policy for related party transactions which has been uploaded on the Company's Website at [www.suryaamba.com](http://www.suryaamba.com).

There have been no materially significant related party transactions between the Company and its Directors, the Management or relatives, except for those disclosed in the Board's report. Detailed information on significant related party transactions is enclosed as Annexure - II to the Board's report and the details of all Related Party Transactions during FY 2019-20 are given at note no.(o) to the Financial Statements.

- **Cases of Non-Compliances / Penalties**  
During the year under review, company has not paid any penalty or fine.
- **Vigil Mechanism**



Information relating to Vigil mechanism has been provided in the Board’s Report. The Vigil mechanism policy is available on the website of the Company

- **Details of compliance with mandatory requirements and adoption of the non-mandatory requirements:**

Except as disclosed under the above, the Company complied with all the mandatory requirements enumerated in Regulation 17 to 27 of the Listing Regulations, 2015 relating to all matters specified therein.

- **Web link where policy for determining ‘material’ subsidiaries is disclosed:**

The company does not have any subsidiaries.

- **Web link where policy on dealing with related party transactions:**

The Board has formulated a policy for related party transactions and revised it in the light of Listing Regulations and including any statutory modification(s) and re-enactment(s) thereof subsequent amendments thereto which is available on the Company’s website under the web link: <http://www.suryaamba.com/policy.html>.

- **Disclosure of commodity price risks and commodity hedging activities:**

The Company is not carrying on any commodity business and has also not undertaken any hedging activities; hence the same are not applicable to the Company.

- **Details of utilization of funds raised through preferential allotment or qualified institutional placement as specified under Regulation 32 (7A):** Not applicable

A certificate from the company secretary in practice that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority has been enclosed separately to this report.

- **Whether the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year:** No

- **Total fees for all services paid by the listed entity to the statutory auditor:** < 3,26,000 (Excluding GST)

- **Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

Number of complaints filed during the financial year	Nil
Number of complaints disposed of during the financial year	Nil
Number of complaints pending as on end of the financial year	Nil

**13. Non-compliance of any requirement of corporate governance report of sub-para (2) to (10) above,with reasons thereof:**

During the year under review, company has paid any fine in respect of Non-Compliance of LODR Regulation.

As per Regulation 34(1)(a) of SEBI (LODR) Regulation, 2015 the company was required to submit Annual Report within period prescribed thereunder. However, due to technical glitch faced by the company while submitting the annual report. The company was unable to upload the same on due time.

With respect to aforesaid non-compliance under regulation 34(1)(a) of SEBI (LODR) Regulation, 2015, the Company had received notice from BSE (bearing reference no. **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/12 dated January 22, 2020**) through which the BSE had levied a fine of Rs. 14,160. for above non-compliance.

However, The Company urged to waiver of fine via company’s letter/ e-mail dated December 30<sup>th</sup>, 2021 - To BSE. Now, fine levied has been waived-off by BSE dated May 6<sup>th</sup>, 2022.





Apart from this, there are no Non-Compliances during the year under review.

**1. The extent to which the discretionary requirements as specified in Part E of Schedule II have been adopted:**

The Company has adopted / complied with the discretionary requirements specified in Part E of Schedule II as detailed below:

**i. The Board:**

The chairperson of the Board is an Executive Director.

**ii. Shareholders' rights:**

All the quarterly financial results are placed on the Company's Website: [www.suryaamba.com](http://www.suryaamba.com) apart from publishing the same in the Newspapers.

**iii. Modified opinion(s) in audit report:**

There are no modified opinion(s) in the Audit Reports.

**iv. Reporting of internal auditor:**

The Internal auditor reports to the Chairman of the Audit Committee directly.

**2. The disclosures of the compliance with corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 are as follows:**

Regulation	Particulars of Regulation	Compliance Status (Yes/ No)
17	Board of directors	Yes
18	Audit Committee	Yes
19	Nomination and Remuneration Committee	Yes
20	Stakeholders Relationship Committee	Yes
21	Risk Management Committee	NA
22	Vigil mechanism	Yes
23	Related party transactions	Yes



## Suryaamba Spinning Mills Limited

24	Corporate Governance requirements with respect to Subsidiary of listed entity	NA
25	Obligations with respect to Independent directors	Yes
26	Obligation with respect to Directors and Senior Management	Yes
27	Other Corporate Governance requirements	Yes
46(2) (b) to (i)	Website	Yes

### 14. Unclaimed Dividend Amounts and Transfer to IEPF

The Company has transferred dividend amounts which remained unpaid or unclaimed for a period of seven years from the date of their transfer to unpaid dividend account, from time to time, on due dates to the Investor Education and Protection Fund (IEPF) administered by the Central Government.

The Company has uploaded the details of unpaid and unclaimed dividends lying with the Company as on August 13, 2020 (date of last Annual General Meeting) on the website of the Company, and on the website of the Ministry of Corporate Affairs.

Information in respect of such unclaimed dividends due for transfer to the Investor Education and Protection Fund (IEPF) is as follows:

Year	Type of Dividend	Date of Declaration of Dividend	Due date for transfer to IEPF
2014-2015	Final	September 25, 2015	October 30, 2022
2015-2016	Final	August 05, 2016	September 09, 2023
2016-2017	Final	September 02, 2017	October 07, 2024
2017-2018	Final	August 24, 2018	September 28, 2025
2018-2019	Final	August 19, 2019	September 23, 2026
2019-2020	Final	August 13, 2020	September 17, 2027
2020-2021	Final	July 24, 2021	August 28, 2028

In accordance with the provisions of Section 124(6) of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (as amended from time to time), shares in respect of which dividend has not been paid or claimed for seven consecutive years or more, will be transferred to the demat account of IEPF Authority. The Company



## Suryaamba Spinning Mills Limited

has sent notice to all shareholders whose shares are due to be transferred to the IEPF Authority. Members are advised to visit the website of the company to ascertain the details of shares liable for transfer in the name of IEPF Authority.

Shareholders whose unclaimed dividend/ shares are transferred to the IEPF Authority can now claim their unclaimed dividend and shares from the Authority by following the Refund Procedure as detailed on the website of IEPF Authority.

Declaration signed by the chief executive officer stating that the members of board of directors and senior management personnel have affirmed compliance with the code of conduct of board of directors and senior management.

### 3. Code of Conduct

The Company has in place a comprehensive Code of Conduct (the Code), pursuant to Regulation 17(5) of Listing Regulations, applicable to all the senior management personnel and directors including independent directors to such extent as may be applicable to them depending on their roles and responsibilities.

The Code covers duties of independent directors and also gives guidance and support needed for ethical conduct of business and compliance of law. Further a policy on obligation of directors and senior management personnel for disclosure of committee positions and commercial transactions pursuant to Regulation 26(2) (5) and (6) of Listing Regulation is in place.

A copy of the Code of Conduct has been placed on the Company's website ([www.suryaamba.com](http://www.suryaamba.com)). The Code has been circulated to Directors and Management Personnel, and its compliance is affirmed by them annually.

All the Board members and the senior management personnel have confirmed compliance with the Code.

Declaration on compliance with Code of Conduct is annexed.

### 4. Compliance certificate

A compliance certificate under Regulation 17(8) of the Listing Regulations, signed by the Company's Managing Director and CFO is annexed to this Report.

### 5. Compliance certificate from auditors regarding compliance of conditions of corporate governance:

Compliance certificate from Manish N. Jain & Co., Chartered Accountants regarding compliance of conditions of corporate governance pursuant to para E of Schedule V to the Listing Regulations is enclosed separately to this Report.

For and on behalf of the Board  
For **Suryaamba Spinning Mills Limited**  
Virender Kumar Agarwal  
Managing Director  
DIN: 00013314

Place: Nagpur

Date: May 16, 2022



## Declaration on Compliance with Code of Conduct

Compliance of Code of Conduct for Directors and Senior Management Personnel pursuant to the provisions as provided under Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board laid down a Code of Conduct for all Board members and Senior Management personnel of the Company. The Code of Conduct is also posted on the website of the Company.

The Members of the Board and Senior Management personnel have affirmed compliance with code of conduct on an annual basis in respect of the financial year ended March 31, 2022.

For and on behalf of the Board  
For **Suryaamba Spinning Mills Limited**  
VIRENDER KUMAR AGARWAL  
Managing Director  
DIN: 00013314

Place: Nagpur

Date: May 16, 2022



Suryaamba Spinning Mills Limited

## Form No. MR-3

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON MARCH 31<sup>ST</sup>, 2022

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

**The Members,**

**SURYAAMBA SPINNING MILLS LIMITED**

CIN: - L18100TG2007PLC053831

Surya Towers, 1<sup>st</sup> Floor,

105, Sardar Patel Road,

Secunderabad-500 003 (T.G.), India

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Suryaamba Spinning Mills Limited** bearing CIN: - **L18100TG2007PLC053831** (hereinafter referred to as "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, to the extent the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to me and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, I hereby report that in my opinion, the Company has during the Audit Period covering the Financial Year ended on March 31, 2022 ('Audit Period') generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records made available to me and maintained by the Company for the Financial Year ended on March 31, 2022 according to the applicable provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;



## Suryaamba Spinning Mills Limited

- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time-(Not applicable to the Company during the audit period);
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat equity) Regulations, 2021- (Not applicable to the Company during the audit period);
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021- (Not applicable to the Company during the audit period);
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with the Client-(Not applicable to the Company during the audit period);
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 - (Not applicable to the Company during the audit period) and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 -(Not applicable to the Company during the audit period);
- (vi) Other laws applicable specifically to the Company, namely: -
- The Employee's Provident Fund & Miscellaneous Provision Act, 1952
  - Labour Laws and other incidental laws related to labour and employees appointed by the Company either on its payroll or on contractual basis as related to wages, gratuity, provident fund, ESIC, compensation etc.;
  - Industries (Development & Regulation) Act, 1951
  - The Water (Prevention & Control of Pollution) Act, 1974
  - The Air (Prevention & Control of Pollution) Act, 1981
  - Environment (Protection) Act, 1986
  - The Noise Pollution (Regulation & Control) rules, 2000
  - Hazardous Waste (Management, Handling and Transboundary Movement) Rules, 2008
  - Information Technology Act, 2000
  - Foreign Trade Policy 2015-2020 (since extended upto September 2021)
  - The Maternity Benefit Act, 1961
  - The payment of Gratuity Act, 1972
  - The Minimum Wages Act, 1948
  - The Payment of Bonus Act, 1965



## Suryaamba Spinning Mills Limited

- The Payment of Wages Act, 1936
- The Factories Act, 1948
- The Contract Labour (Regulation & Abolition) Act, 1970
- The Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959
- The Industrial Employment (Standing Orders) Act, 1946
- The Water (Prevention and Control of Pollution) Cess Act, 1977
- Maharashtra Shops and Establishments Act, 1948
- Maharashtra Labour Welfare Act, 1948
- Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013
- The National and Festival Holidays Act 1963 (Relevant State Acts)

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

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) pertaining to Board and General Meetings.
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 (hereinafter referred to as "the listing regulation") and Uniform Listing Agreement(s) entered with BSE Limited ;

During the period under review, to the best of my knowledge and belief and according to the information and explanations given to me, the Company has generally complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above, to the extent applicable except mentioned below:

As per Regulation 34(1)(a) of SEBI (LODR) Regulation, 2015 the company was required to submit Annual Report within period prescribed thereunder. However, due to technical glitch faced by the company while submitting the annual report. The company was unable to upload the same on due time.

With respect to aforesaid non-compliance under regulation 34(1)(a) of SEBI (LODR) Regulation, 2015, the Company had received notice from BSE (bearing reference no. **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/12 dated January 22, 2020**) through which the BSE had levied a fine of Rs. 14,160/- for above non-compliance.

However, The Company urged to waiver of fine via company's letter/ e-mail dated December 30<sup>th</sup>, 2021 - To BSE. Now, fine levied has been waived-off by BSE dated May 6<sup>th</sup>, 2022.

The Company has duly filed forms with Ministry of Corporate Affairs (MCA) within the stipulated time allowed under the Companies Act, 2013 except some forms required pursuant to provisions of Companies Act, 2013 and rules made thereunder.

### I further report that;

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors that took place during the period under review. The re-appointment of Mr. Gajanan Narayan Prasad Chhawsaria as Chief Financial Officer and Mr. Virender Kumar Agrawal as Managing Director were carried out in compliance with the provisions of the Act.

Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance for meetings other than those held at shorter notice and



## Suryaamba Spinning Mills Limited

a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

The decisions at Board and Committee Meetings are carried out and recorded in the minutes of the Board of Directors and Committee(s) of the Board accordingly.

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

**I further report that**, during the audit period there were no specific events/actions occurred which had bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

**For Aarju Agrawal & Associates  
Company Secretaries**

**Place: Nagpur**

**Date: June 15<sup>th</sup>, 2022**

**CS Aarju Agrawal**

**Proprietor**

**ACS No.: A42507**

**CP No.: 15770**

**UDIN : A042507D000496983**

**Encl. Annexure-I**

**Note: This report is to be read with my letter of even date which is annexed as 'ANNEXURE-I and forms an integral part of this report.**





**Suryaamba Spinning Mills Limited**

**ANNEXURE - I**

To,  
The Members,  
**SURYAAMBA SPINNING MILLS LIMITED**  
CIN: - L18100TG2007PLC053831  
Surya Towers, 1<sup>st</sup> Floor, 105, Sardar Patel Road,  
Secunderabad-500 003 (T.G.), India

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.
7. I have relied upon the information provided by the Management with respect to related party transactions for its compliance.

**For Aarju Agrawal & Associates**  
**Company Secretaries**

**CS Aarju Agrawal**

**Proprietor**

**ACS No.: A42507**

**CP No.: 15770**

**UDIN : A042507D000496983**

**Place: Nagpur**

**Date: June 15<sup>th</sup>, 2022**



## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members  
Suryaamba Spinning Mills Limited  
1<sup>st</sup> Floor, Surya towers, 105, S P Road,  
Secunderabad-500 003 T.G. IN

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Suryaamba Spinning Mills Limited having CIN L18100TG2007PLC053831 and having registered office at 1<sup>st</sup> Floor, Surya towers, 105, S P Road, Secunderabad-500 003 T.G (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

S.No.	Name of Director	DIN	* Date of Appointment in Company
1	Virender Kumar Agarwal	00013314	May 5, 2007
2	Seema Agarwal	01430206	January 1, 2009
3	Mayank Agarwal	02749089	August 1, 2009
4	Sushil Kapadia	01730944	November 11, 2018
5	Amit Goela	01754804	July 18, 2011
6	Nilesh Panpaliya	08499844	July 3, 2019



## Suryaamba Spinning Mills Limited

\*the date of appointment is as per the MCA Portal.

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Aarju Agrawal & Associates**

**Date: May 26, 2022**

**Place: Nagpur**

**CS Aarju Agrawal**

**Practicing Company Secretary**

**ACS No.: 42507 CP No.: 15770**

**UDIN : A042507D000396883**



## CEO/CFO CERTIFICATION IN RESPECT OF FINANCIAL STATEMENTS

For the financial year ended March 31, 2022

(Pursuant to Regulation 17(8) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015  
To,  
The Board of Directors,  
Suryaamba Spinning Mills Limited

We hereby certify to the Board that:

- (a) We have reviewed the financial statements and the cash flow statement for the financial year ended 31st March, 2022 and that to the best of our knowledge and belief:
- (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps taken or proposed to be taken to rectify these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee:
- (i) Significant changes, if any, in internal control over financial reporting during the year;
  - (ii) Significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Nagpur

Date: May 16, 2022

VIRENDER KUMAR AGARWAL

Managing Director  
DIN: 00013314

GAJANAN N CHHAWSARIA

Chief Financial Officer





# MANAGEMENT DISCUSSION AND ANALYSIS REPORT

## ORGANISATION - PROFILE

Suryaamba Spinning Mills Limited is one of the well-known producers of Synthetic Blended Yarn for over a decade in the textile industries. The Company produces 100% Polyester, Viscose, Melange, P/V blended yarns with counts wide ranging from 08s to 60s and has established itself in the domestic and in the international market with a wide range of products. Currently the Company has one manufacturing unit with a total installed capacity of 48,144 spindles with a production capacity of 10,762 MTPA. The unit is located at Mouza-Nayakund, Near Ramtek in the state of Maharashtra. The unit is certified "ISO 9001:2015".

It has recently installed 4032 spindles as on March 31, 2022

## INDIAN TEXTILE OUTLOOK

India's textiles sector is one of the oldest industries in Indian economy dating back several centuries. Even today, textiles sector is one of the largest contributors to India's exports with approximately 13 per cent of total exports. The textiles industry is also labour intensive and is one of the largest employers. The textile industry has two broad segments. First, the unorganised sector consists of handloom, handicrafts and sericulture, which are operated on a small scale and through traditional tools and methods. The second is the organised sector consisting of spinning, apparel and garments segment which apply modern machinery and techniques such as economies of scale.

The Indian textile industry has the capacity to produce a wide variety of products suitable to different market segments, both within India and across the world. The textile industry employs about 105 million people directly and indirectly. India's overall textile exports during FY 2021-22 stood more than US\$ 37.74 billion. The Indian Textile Industry contributes approximately 2 per cent to India's Gross Domestic Product (GDP), 10 per cent of manufacturing production and 14 per cent to overall Index of Industrial Production (IIP).

The future for the Indian textile industry looks promising, buoyed by both strong domestic consumption as well as export demand. The Indian cotton textile industry showcased a stable growth in FY 2021-22, supported by stable input prices, healthy capacity utilisation and steady domestic demand.

## OVERVIEW OF INDIAN ECONOMY

The year 2021-22 was marked by a number of key structural initiatives to build strength across macro-economic parameters for sustainable growth in the future.

Even though all these pressures disrupted the economic conditions, there were some noteworthy positives to boost economic growth. Implementation of GST, the Indian Bankruptcy Code and implementation of Real Estate Regulations (RERA), among others, Jan Dhan Yojana and Aadhaar, Ayushman Bharat. India has retained its position as the third largest startup base in the world with over 4,750 technology startups.

While the last year saw a number of changes to the system, India's economy is expected to grow 7.3% in the next financial year, stated by World Bank. The Union Budget promised various Government initiatives to strengthen agricultural sector, increase in FDI, Make in India and Digital India initiative with an aim to boost the



manufacturing sector of Indian economy, to increase the purchasing power of an average Indian consumer. FY 2022-23 will be the period that witnesses a strong and sustained economic upsurge.

## OPPORTUNITIES AND STRENGTHS

Positive steps taken by the Central Government for the textile industry, from allocation of funds to giving extra rebate to exporters and various other benefits, are expected to improve investment in this sector and provide more business opportunities in the near future. Subsidies from Central Government, 'Make in India' and 'Digital India' concept aids in futuristic growth in more ways than one. An experienced, enriched and technologically empowered textile sector will only emerge as an international powerhouse in the coming time. Early indications of a normal monsoon for three years in a row are likely to assist the rawmaterial base.

Our long-standing relationship with our major customers has been one of the most significant factors contributing to our growth. Our commitments to quality and customer service practices have been strong contributing factors to our healthy customer relations. We have an experienced team of management with exposure in textile industry to run the operations. India has rich resources of raw materials of textile industry. It is one of the largest produce sources of fibers like polyester, silk, viscose etc.,

## RISKS AND CONCERN

The results of our business operations are dependent on our ability to effectively plan our manufacturing processes and on our ability to optimally utilize our manufacturing capacities. Any disruption to our manufacturing process may affect our business operations. Some of the factor/threats affecting our manufacturing or production activities are:

- ❖ Utility supply disturbances, particularly power supply;
- ❖ Forced close down or suspension of our manufacturing facilities due to factors such as breakdown or failure of equipment, performance below expected levels of output or efficiency, facility obsolescence or disrepair, labour disputes such as strikes and work stoppages, natural disasters and industrial accidents;
- ❖ Severe weather condition;
- ❖ Interruption of our information technology systems that facilitate the management of our manufacturing facilities; and
  - ❖ Other production or distribution problems, including limitations to production capacity due to regulatory requirements, changes in the types of products produced or physical limitations that could impact continuous supply.

Apart from abovementioned concern, Banking system of the Country which is dealing with large amount of bad loans, Uncertainty in market conditions, Shortage of skilled manpower and labor related issues, High Competition, fluctuating rawmaterial prices are some other issues.

## KEY ADVANTAGES OF THE INDIAN TEXTILE INDUSTRY ARE:

- India is the third largest producer of cotton with the largest area under cotton cultivation in the world. It has an edge in low cost cotton sourcing compared to other countries.
- Average wage rates in India are 50-60 per cent lower than that in developed countries, thus enabling India to benefit from global outsourcing trends in labour intensive businesses such as garments and home textiles.
- Design and fashion capabilities are key strengths that will enable Indian players to strengthen their relationships with global retailers and score over their Chinese competitors. Production facilities are available across the textile value chain, from spinning to garments manufacturing. The industry is investing in technology and increasing its capacities which should prove a major asset in the years to come.



- Large Indian players such as Arvind Mills, Welspun India, Alok Industries and Raymonds have established themselves as ‘quality producers’ in the global market. This recognition would further enable India to leverage its position among global retailers. India has gathered experience in terms of working with global brands and this should benefit Indian vendors.

## OUTLOOK

Rating agency Ind-Ra has revised the outlook on India’s textile sector to negative from stable for 2021-22 as weak domestic demand growth, threat of cheap imports and dwindling incentives and exports are likely to keep volumes muted.

Ind-Ra expects withdrawal of incentives under the merchandise exports from India scheme (MEIS) to affect export players of made-ups (home textiles) and garments. “Exporters are likely to remain uncompetitive against counterparts in Pakistan, Bangladesh, Turkey and Vietnam, due to further delays in the implementation of Rebate of State and Centre levy of Taxes. All these factors would lead to margin pressures for exporters in FY22,” India Ratings and Research (Ind-Ra) said.

However, it expects key raw material prices to remain low in 2022-23, after a correction in 2021-22, contributing to a modest recovery in margins, stable working capital requirements and steady cash flows. Ind-Ra also anticipates cotton prices to stabilise with improved cotton supply and an inventory build-up in the next fiscal. “The industry adjusting to a low dealer inventory is becoming the new normal. Easing of the GST implementation issues might only provide modest support to demand growth.

## INDIAN TEXTILES AND APPAREL INDUSTRY

The Indian Textile Industry holds a dominant position and maintaining its uniqueness and strength in both organized and unorganized sector. The textile industry has two broad segments. First, the unorganized sector consists of Power loom, Handloom, Handicrafts and Sericulture, which are operated on a small scale and through traditional tools and methods. The second is the organized sector consisting of Spinning, Apparel and Garments segment which apply modern machinery and techniques such as economies of scale. The textile industry is the second largest employer in the country providing employment to 45 million people.

Apart from abundant availability of raw materials such as cotton, synthetic, wool, silk, and jute, India enjoys a comparative advantage in terms of skilled manpower and its production costs are more competitive compared to major textile producers. The textile industry contributes 2.3% to India’s GDP and accounts for 13% of industrial production, and 12% of the country’s export earnings. India is the world’s second largest producer of textiles and garments. The textile industry plays a significant role in the economy, contributing to over 13% of industrial output and over 2% of GDP. The industry employed more than 4.5 crore citizens and contributed 15% to the export earnings of India in FY22.

Apparel manufacturers are diversifying exports into countries such as Japan, Israel, South Africa, and Hong Kong. India is highly integrated into GVCs of countries such as Bangladesh, South Africa, Sri Lanka, UAE, Belgium, US, Indonesia, Malaysia, UK and Hong Kong, India’s textile industry is at the confluence of favorable quantity and price of raw materials. In addition to cost competitiveness over China and Brazil, India also has diverse supply of raw materials.

## DEMAND DRIVERS OF INDIA’S TEXTILE INDUSTRY

- ✦ **Working women:** Women constitute 48% of India’s population; 23.6% Indian women engage in paid work, strengthening the demand for apparel.
- ✦ **Single brand retail:** The government eased the mandatory local sourcing norms for FDI in single brand retail trading by reducing the limit to 10 %, provided they export 20 % of their products.
- ✦ **E-commerce and e-tailing:** India’s online retail is growing faster and estimated at US\$18 billion in 2019.
- ✦ **Abundant natural fibre:** The Indian textile industry principally depends on cotton, its building block. The production of raw cotton in India is estimated to have reached 32.3 million bales in FY20, which plays an important foundation for the textile industry. The availability of large varieties of cotton fibre along with the fast-growing synthetic fibre industry could address growing demand.





## Suryaamba Spinning Mills Limited

- ✦ **Increasing population:** India's population has grown from 555.2 million in 1970 to 1.36 billion in 2019, a 146 per cent increase. The country is expected to add 273 million people by 2050. (Source: India Today)
- ✦ **Millennial demand:** India is a young country with a median age of 28 years. Millennials account for 34% of the country's total population and ~47% of the working population, spending a significant amount on lifestyle products. (Source: Outlook India)
- ✦ **Affluent middle- class:** Aspiring and affluent households that earn between Rs. 5 lakhs and Rs. 20 lakhs per annum helped spur domestic consumption in India over the past decade. Affluent households have more than doubled since 2008, from 10 million to 24 million. Aspirers increased from 31 million households to 57 million. Elite households, those who earn upwards of Rs. 20 lakhs, grew from 3 million to 9 million. With rising affluence in India, households are climbing up the income ladder to drive nearly 3.5 times growth in consumption. This growth is driven by two main factors—average spends per household and the total number of households. (Source: Live Mint)
- ✦ **Increasing disposable incomes:** The nominal per capita net national income during FY20 was estimated at Rs. 135,050, a rise of 6.8 % compared to Rs. 126,406 during FY19. (Source: Business Today)
- ✦ **Growing retail:** India's retail industry is expected to grow from US\$ 792 billion in 2018 on account of favorable demographics, higher income levels, and increased internet penetration, among others. (Source: World Bank, Business Today, Economic Times, Care ratings)

### **WE GRAPPLED WITH COVID-19 THROUGH FY2021, THOUGH OUR FACTORY IS BACK TO NORMAL AS WAVE-2 RECEDES**

#### **IMPACT ON OPERATIONS**

- Temporary factory shutdowns as per government norms in wave 1
- Absenteeism as employees/ their family members tested +ve
- Challenges in getting adequate contract workers given migration
- Disruptions at supplier and contract manufacturing units
- Supply chain disruptions resulting from interstate movement restrictions, and poor container availability

#### **SURYAAMBA RESPONSE**

- Facilities/protocols to enable physical distancing and sanitization
- Short-term local housing and transport arrangements to manage worker availability
- Enhanced healthcare and insurance support for employees (expanded coverage, vaccination, facilitation of oxygen/ beds/ medicines, online consultation)
- Additional employee support (unlimited sick leaves, education and job support for families of deceased employees)
- Enhanced customer engagement at highest levels

#### **OUTCOME**

- Quick bounce-back as government restrictions eased post 1st wave
- Limited capacity and business loss
- No material impact on demand – most customers understood and accepted shipment delays

#### **NEW INITIATIVES**

##### **RAMPANT COMMERCIALIZATION**

- We have been able to brace the storm & outperform the industry; due to the rampant commercialization of new products & end applications.
- There not only help us in increase our realization per ton but also enable us to reduce our reliance on existing supply chain partners & enable us to handle credit risk in a better way
- From being a standalone supplier of black yarn; we have commercialized 60 new products/ colour shades in a last two quarters.



## Suryaamba Spinning Mills Limited

- We have around 200 colours in the development / commercialization process as the school uniform season shall likely begin in PV dyed yarns
- Our Core spun & dyed yarn vertical remain our key focus & growth verticals
- We are currently running 30,000 spindles on dyed yarn & 17000 spindles on grey yarn
- 6336 spindles on core spun yarn & have a doubling capacity of 54 TFO's
- Incremental customer addition and vendor addition remains of core focus to our strategy.

### SWOT ANALYSIS

#### Strengths

- Active sectoral support by the government
- Availability of manufacturing infrastructure
- Strong raw material base
- Economies of scale through robust backward integration
- Increased digitalization driving e-commerce growth
- Increased number of organized retail

#### Weakness

- Competitive imports
- Technological obsolescence
- Inadequate product supply chain and distribution
- Rising competition from e-commerce

#### Opportunities

- Growing economy and domestic market
- Increasing demand for hygiene textiles post COVID-19
- 'Make in India' initiatives by the Government of India
- Stringent import policies and hikes in import duties
- Strengthening the value chain by using superior technology and value-added products
- Continuous innovation and technology up gradation

#### Threats

- Outbreak of pandemic like COVID-19, affecting manufacturing and sales
- Low consumer sentiment due to pandemic crisis
- Inventory pile ups due to COVID-19
- Lack of skilled workers
- Declining fashion preference cycle
- Increased resource costs
- Emergence of international brands
- Increase in cheaper imports
- Closure of malls, retail outlets due to COVID-19
- Formation of trading blocks like NAFTA, SAPTA, etc, resulting in a change in the world trade scenario

#### • FUTURE OUTLOOK

The Company manufactures 100% Polyester, Viscose, Melange, P/V blended yarns and remains the preferred choice of many leading Indian brands. Moreover, the economy is on the path of recovery and the Company expects good demand for its products in domestic as well as international markets. Major markets for Indian Textile and Clothing (T&C) export are the USA, Germany, Italy, Portugal, Spain, Switzerland, U.K. Belgium, and other European countries, Argentina, Brazil, Turkey, Chile and other south American Countries, Egypt, Kenya, Morocco and other African countries. The domestic market is also on the path of healthy growth because of the fact that few manufacturing facilities operating abroad have closed down due to recession. The home-textiles and garment segments are reflecting sound growth both in the domestic and international markets due to good demand of apparels. There is a substantial scope for further growth in these segments.

Your Company believes that the competition in the emerging markets will be met by developing production systems based on cost efficiency, high productivity, quality assurance, etc.



## **INTERNALCONTROLSAND 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 ensures that business risks are identified, managed and regularly reviewed at all levels and that Directors are periodically apprised of the key risks.

## **HUMANRESOURCEDEVELOPMENT AND INDUSTRIAL RELATIONS**

The Company has recorded higher volumes, operation profit and improved on several operational activities primarily because of the commitment, initiatives and high energy demonstrated by the employees at all levels. Human Capital is the most valuable resource of an organization. Development of human capital has always been the thrust area of the Company. Industrial relations are geared at developing and aligning the 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.

## **DISCLAIMER**

Statements in this report on Management Discussion and Analysis, describing the Company's objectives, projections, estimates, expectations or predictions may be forward looking, considering the applicable laws and regulations. These statements are based on certain assumptions and expectation of future events. Actual results could, however, differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and domestic demand-supply conditions, finished goods prices, raw materials costs and availability, fluctuations in exchange rates, changes in Government regulations and tax structure, economic developments within India and the countries with which the Company has business contacts. The Company assumes no responsibility in respect of the forward-looking statements herein, which may undergo changes in future on the basis of subsequent developments, information or events.



## **INDEPEDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**

To

The Members of,

**SURYAAMBA SPINNING MILLS LIMITED**

1. The Certificate is issued in accordance with the terms of our Engagement letter reference no. SASML/SA/01 dated August 17, 2020.
2. We, MANISH JAIN AND CO., Chartered Accountant, the statutory Auditors of SURYAAMBA SPINNING MILLS LIMITED ("the Company"), have examined the compliance of conditions of corporate Governance by the Company, for the year ended 31<sup>st</sup> March, 2022, as stipulated in regulation 17 To 27 and clause (b) to (i) of the regulation 46(2) and para - C and Para - D of schedule V of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 as amended ("the Listing Regulations").

### *Management's Responsibility*

3. The Compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and Maintenance of internal control and procedures to ensure the compliance with condition of the Corporate Governance stipulated in the Listing Regulations.

### *Auditors' Responsibility*

4. Our responsibility is limited to examine the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial Statements of the Company.
5. We examined the books of Accounts and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with the Corporate Governance requirement by the Company.
6. We have carried out the examination of the relevant records of the Company in accordance with the Guidance Note on Certificate on Corporate Governance issued by the Institute of Chartered Accountant of India ("the ICAI"), the standards on Auditing specified under section 143(10) of the Companies Act, 2013 in so far as applicable for the purpose of certificate for the special purpose issued by the ICAI with requires that we comply with the ethical requirements of the code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of Standards on Quality Control (SQC - 1), Quality Control for the Firms that performs Audit and Reviews of the Historical Financial Information, other assurance and Related Service Engagement.

### *Opinion*

8. Based on our examination of Relevant records and according to the information and explanation provided to us and the representations provided by the Management, we certify that the company



**Suryaamba Spinning Mills Limited**

*has complied with the condition on Corporate Governance, as stipulated in regulation 17 to 27 and clause (b) to (i) of the regulation 46(2) and para – C and Para – D of schedule V of the Listing Regulations during the year ended 31<sup>st</sup> March, 2022.*

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

**For MANISH N JAIN & CO.**

**Chartered Accountants**

**FRN No. 138430W**

**Place: Nagpur**

**ARPIT AGRAWAL**

**Date: May 23, 2022**

**Partner**

**UDIN No.: 22175398AJLQF9120**

**Membership No. 175398**





## INDEPENDENT AUDITORS' REPORT

TO

The Members of,

**SURYAAMBA SPINNING MILLS LIMITED**

**Report on the Financial Statements**

### **Opinion**

We have audited the accompanying financial statements of **SURYAAMBA SPINNING MILLS LIMITED** (the "Company"), which comprises the Balance Sheet as at **March 31, 2022**, the Statement of Profit and Loss (including the Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows and for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS"), and other accounting principles generally accepted in India, of the state of affairs of the Company as at **March 31, 2022**, and its profits including total comprehensive income, the changes in equity and its cash flows and for the year ended on that date.

### **Basis of Opinion**

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards on Auditing (SAs) are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence, we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment were most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated to our report.

The Key Audit Matters	How was the matter addressed in our Audit
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<b>Revenue Recognition</b>	
Revenue is one of the key profit drivers and is therefore susceptible to misstatements. Cut-off is the key assertion in so far as revenue recognition is concerned, since an inappropriate cut -off can results in material misstatement of results for the years.	Our audit procedures with regards to revenue recognition included testing controls, automated and manual, around dispatches / deliveries, inventory reconciliations and circularization of receivable balances, substantive testing for cut-off and analytical review procedures.
<b>Capital Work-in-Progress / Property, Plants and Equipments</b>	
The Company had embarked on the enhancement in Property, Plants and Equipments in "PARSEONI". The Value of such Property, Plants and Equipments capitalized during the period is ₹ 23,64,53,810. The project needs to be capitalized and depreciated once the assets are ready to use as intended by the management. Inappropriate timing of capitalization of the project and / or inappropriate classification of categories of item of Property, Plants and Equipments could results in material misstatement of Capital Work-in-Progress / Property, Plants and Equipments with a consequent impact on depreciation charge and results for the period.	Our audit procedures included testing the design, implementation and operating effectiveness of controls in respect of review of Capital Work-in-Progress, particularly in respect of timing of the capitalization and recording of additions to items of various categories of Property, Plants and Equipments with source documentation, substantive testing of appropriateness of the cut-off date considered for project capitalization.  We tested the source documentation to determine whether the expenditure is of capital nature and has been appropriately approved and segregated into appropriate categories. We reviewed operating expenses to determine appropriateness of accounting. Further, through sites visit, we physically verified existence of Capital Work-in-Progress / Property, Plants and Equipments.
<b>Recoverability of Indirect Tax Receivables</b>	
As at March 31, 2022, Balances with Revenue Authorities under the head of "Other Current Assets" in respect of GST Refund Receivables and Duty Draw Back Receivables amounting to ₹ 84,95,386 and ₹ 71,73,230 respectively, which are pending to be received.	We have involved our internal experts to review the nature of the amount recoverable, the sustainability and the likelihood of recoverability upon the final resolution.
<b>Appropriateness of Current and Non - Current Classifications</b>	
For the purpose of current / non - current classification of the assets and liabilities, the Company has ascertained its normal operating cycle as twelve months. This is based on the nature of services and the time between the acquisition of assets or inventories for processing and their presentation in cash and cash equivalents.  The classification of assets and liabilities has been done on the basis of documentary evidences. Where conclusive evidences are not available, the classification has been done on the basis of management's	





best estimates of the period in which the assets would be realized or the liabilities would be settled. We have evaluated the reasonability of the management's estimates.

### **Information Other than the Financial Statements and Auditor's Report thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the Board's Report, Report on Corporate governance and the Business Responsibility Report but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

### **Management's Responsibility for the Financial Statements**

The Company's Management and the Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, the financial performance including the other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principle generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentations of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management and Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibility for the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could



reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter



should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Sub - Section (11) of Section 143 of the Act, we give in the **Annexure "A"**, a statement on the matters specified in paragraph 3 and paragraph 4 of the said Order.

2. As required by Section 143(3) of the Act, based on our audit, we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b. In our opinion proper, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c. The Balance Sheet, the Statement of Profit and Loss including the other comprehensive income, the Statement of Changes in Equity and the Statement of Cash Flows the dealt with by this Report are in agreement with the books of account;
- d. In our opinion, the Balance Sheet, the Statement of Profit and Loss including the Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;
- e. On the basis of the written representation received from the directors as on March 31, 2022 taken on the record by the Board of Directors, none of directors is disqualified as on March 31, 2022 from being appointed as a director in term of Section 164(2) of the Act.
- f. With respect to adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such control, refer to our separate report in **Annexure "B"**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over the financial reporting.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended;

In our opinion and to the best of our information and explanations given to us, the remunerations paid by the Company to its directors during the reporting period is in accordance with the provision of Section 197 of the Act.

- h. With respect to the other matters to be included in the Independent Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;

(i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements - "Refer Note No. 39".



## Suryaamba Spinning Mills Limited

(ii) The provision has been made in the financial statements, as required under the applicable law or Indian Accounting Standards, for material foreseeable losses, if any, on long - term contracts including the derivative contracts.

(iii) There has been no delay in transferring amounts, required to be transferred, to Investor Education and Protection Fund by the Company.

a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed fund or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including the foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediaries shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

(v) As stated in Note No. 44 to the financial statements;

a) The final dividend in the previous year, declared and paid by the Company during the year is in accordance with the Section 123 of the Act, as applicable.

b) During the reporting period and until the date of this report, the Company has not declared and paid any interim dividend in accordance with the Section 123 of the Act, as applicable.

c) The Board of Directors of the Company have proposed the final dividend for the year, which is subject to the approval of the shareholders at their ensuing Annual General Meeting (AGM). The amount of dividend proposed is in accordance with the section 123 of the Act, as applicable.

For **MANISH N JAIN & CO.**

*Chartered Accountants*

FRN No. 138430W



**Suryaamba Spinning Mills Limited**

Place: Nagpur

**ARPIT AGRAWAL**

Dated: **May 16, 2022**

Partner

UDIN No.: **22175398AJDWXH7920**

Membership No. 175398



**ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT**

*(Referred to in Paragraph 1 under "Report on the Other Legal and Regulatory Requirements" Section of our report of Even Date)*

**Report on Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Companies Act, 2013 ('the Act') of SURYAAMBA SPINNING MILLS LIMITED ("the Company");**

1. In respect of the Company's Property, Plants and Equipments and Intangible Assets;

a) i) The Company has maintained proper records in the electronic mode showing full particulars, including the quantitative details and situation of property, plants and equipments and the relevant details of right-of-use of assets.

ii) The Company has maintained the proper records showing full particulars of intangible assets.

b) The Company has a regular program at reasonable interval for physical verification of property, plants and equipments and right-of-use of assets so as to cover all the assets, the periodicity of physical verification, in our opinion, is reasonable having regard to the size of the Company and nature of its assets. According to the information and explanation given to us, no material discrepancies were noticed on such physical verification.

c) Based on our examination of the property tax receipts and lease agreement for land on which building is constructed, registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds in respect of self - constructed buildings and title deeds of all other immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company), disclosed in the financial statements and included under property, plants and equipments are held in the name of the Company as at the Balance Sheet date. In respect of the immovable properties taken on lease by the Company, the lease agreements are in the name of the Company as at the Balance Sheet date.

d) The Company has not revalued any of its property, plants and equipments (including right-of-use assets) and intangible assets during the reporting period.

e) No proceeding has been initiated during the reporting period or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and Rules made thereunder.

2. In respect of Company's inventories;

i) As explained to us, inventories except goods-in-transits and the stock lying with third parties were physically verified during the year by the management at reasonable intervals. In our opinion, in respect of stock lying with the third parties at the end of the year, written confirmations have been obtained. In our opinion, the frequency of such verification is reasonable. In our opinion, the coverage and the procedure adopted by the management for the physical verification is appropriate looking to the size and the nature of the products dealt in by the Company. As explained to us, there was no discrepancies of 10% or more in the aggregate of each class of inventory were noticed on such physical verification of inventories. However, the other discrepancies if any, noticed on such physical verification have been properly dealt with in the books of accounts.



## Suryaamba Spinning Mills Limited

ii) During the reporting period, the Company has been sanctioned working capital limit in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. The quarterly returns and the statements filed by the Company with such banks or financial institutions are in agreement with the books of accounts of the Company.

3. The Company has made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnerships or other parties, during the year, in respect of which;

a) The Company has not provided any loans or advances in the nature of loans or stood guarantee, or provided security to any other entities during the year, and hence reporting under clause 3(iii)(a) of the Order is not applicable.

b) In our opinion, the investment made and the terms and conditions of grants of loans, during the year are, prima facie, not prejudicial to the interest of the Company.

c) The Company has not granted any loans and advances in the nature of loans, to any other entities, hence the reporting under clause 3(iii)(c), in respect of the schedule of repayment of principal and payment of interest is not applicable.

d) The Company has not granted any loans and advances in the nature of loans, to any other entity, hence the reporting under clause 3(iii)(d) in respect of overdue amount remaining outstanding for more than ninety days is not applicable.

e) The Company has not granted any loans or advances in the nature of loans, to any other entity, hence the reporting under clause 3(iii)(e), in respect of the details of loans which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of the existing loans given to the same parties is not applicable.

f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment during the year. Hence, the reporting under clause 3(iii)(f) of the Order is not applicable.

4. In our opinion and according to information and explanations given to us, the Company has complied with the provisions of Section 185 and Section 186 of the Act, in respect to grant of loans, making investments and providing guarantees and securities, as applicable.

5. According to information and explanations given to us, the Company has not accepted any deposits from public or amounts which are deemed to be the deposits of the Company, within the meaning of the Reserve Bank of India, provision of Section 73 to Section 76 of the Act or any other relevant provisions and Rules made thereunder, during the year, therefore, the reporting under clause 3(v) of the Order is not applicable to the Company.

6. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under section 148(1) of the Companies Act, in respect of the Company's products / services to which the said Rules are made applicable, and we are of the opinion that, prima facie, the prescribed cost record been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.



7. According to the information and explanations given to us and on the basis of our examination of the records of the Company, in respect of statutory dues, we report that;

a) The Company has generally been regular in depositing undisputed statutory dues, including goods and service tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duties of custom, duties of excise, value added tax, cess and other material statutory dues applicable to it with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of goods and service tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duties of custom, duties of excise, value added tax, cess and other material statutory dues were in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.

b) According to the information and explanation given to us, there are no material statutory dues referred to in sub - clause (a) above which have not been deposited on account with the appropriate authority on account of any dispute.

8. According to the information and explanation given to us and on the basis of our examination on the record of the Company, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

9. a) In our opinion and according to the information and explanation given to us by the Company, the Company has not defaulted in repayment of any loans or other borrowings or in the payment of interest thereon to any lender.

b) The Company has not been declared as willful defaulter by banks or financial institutions or government or any government authority.

c) The term loan taken by the Company during the year were applied for the purpose for which the loans were obtain except the funds deployed temporarily elsewhere.

d) According to the information and explanation given to us and on the basis of our examination of the record of the Company, the funds raised on short - term basis have, prima facie, not been used during the year for long - term purposes by the Company.

e) According to the information and explanation given to us and on the basis of our examination of the record of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

f) According to the information and explanation given to us and on the basis of our examination on the record of the Company, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associates companies.

10. a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable to the Company.

b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.





## Suryaamba Spinning Mills Limited

11. a) According to the information and explanation given to us and on the basis of examinations of records of the Company, we report that no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

b) According to the information and explanation given to us and on the basis of examinations of records of the Company, we report that, no report under sub-section (12) of Section 143 of the Companies Act has been filled in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

c) In our opinion and according to the information and explanation given to us, the Company has not received any complaints from whistle-blower, hence the reporting under clause 3(xi)(c) of the Order is not applicable to the Company.

12. The Company is not a Nidhi Company as prescribed under Section 406 of the Companies Act and hence reporting under clause 3(xii) of the Order is not applicable to the Company.

13. According to information and explanations given to us and based on our examination of the records of the Company, all transactions with related parties are in compliance with Section 177 and Section 188 of the Companies Act and details of related party transactions have been disclosed in the financial statements, under "Note No. 38 - the transactions with Related Parties" as required under Indian Accounting Standards (Ind AS) - 24, "Related Party Disclosure" specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rule, 2014.

14. a) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.

b) We have considered, the internal audit report for the year under audit, issued to the Company during the year and till the date of this report, in determining the nature, timing and extent of our audit procedures.

15. In our opinion and according to the information and explanation given to us, during the year, the Company has not entered into any non-cash transactions with its directors or the person connected with him and hence provisions of Section 192 of the Act are not applicable. Thus, reporting under clause 3(xv) of the Order is not applicable to the Company.

16. a) In our opinion, the Company is not required to be registered under Section 45 - IA of the Reserve Bank of India Act, 1934, therefore, the reporting under clause 3(xvi)(a) and (b) of the Order is not applicable to the Company.

b) In our opinion, the Company is not a core investment company (CIC) also there is no CIC within the Group, as defined in the regulation made by the Reserve Bank of India in Core Investment Companies (Reserve Bank) Directions, 2016 and accordingly the reporting under clause 3(xvi)(c) and (d) of the Order are not applicable.

17. The Company has not incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.

18. There has been no resignation of the Statutory Auditor of the Company during the year, hence reporting under clause 3(xviii) of the Order is not applicable to the Company.

19. On the basis of financial ratios, aging and expected due dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and the Management plans and based on our examination of evidence



## Suryaamba Spinning Mills Limited

supporting the assumptions, nothing has come to our attention, which cause us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not as assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the date of balance sheet, will get discharged by the Company as and when they fall due.

20. a) According to the information and explanation given to us and based on our examination of the record of the Company, there are no unspent amounts towards Corporate Social Responsibilities (CSR) on other than ongoing projects requiring a transfer to a fund specified in Schedule VII of the Companies Act within a period of six months of the expiry of the financial year in compliance with the second proviso to sub - section (5) of the Section 135 of the Companies Act, Accordingly, reporting under clause 3(xx)(a) of the order is not applicable to the Company.

b) According to the information and explanation given to us and based on our examination of the record of the Company, there is no unspent amounts towards Corporate Social Responsibilities (CSR) on ongoing projects under sub - section (5) of Section 135 of the Companies Act, requiring the Company to transfer unspent CSR to a Special Account in compliance with the provision of sub-section (6) of Section 135 of the Companies Act.

For MANISH N JAIN & CO.

*Chartered Accountants*

FRN No. 138430W

ARPIT AGRAWAL

Partner

Place: Nagpur

Dated: May 16, 2022

UDIN No.: 22175398AJDWXH7920

Membership No. 175398

### **ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT**

*(Referred to in paragraph 2(f) under "Report on the Other Regulatory Requirements" section of our report of even date)*

#### **Report on the Internal Financial Controls over the Financial Reporting under Clause (i) of sub - section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over the financial reporting of "SURYAAMBA SPINNING MILLS LIMITED" ("the Company") as of **March 31, 2022** in conjunction with our audit of the financial statements of the Company for the year ended on that date.



## **Management's Responsibility for Internal Financial Controls**

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

## **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both, issued by the Institute of Chartered Accountants of India. Those standards and the guidance note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide the basis for our audit opinion on the Company's internal financial controls system over financial reporting.

## **Meaning of Internal Financial Controls Over Financial Reporting**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

## **Inherent Limitations of Internal Financial Controls over the Financial Reporting**



## Suryaamba Spinning Mills Limited

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

### Opinion

In our opinion, to the best of our information and according to the explanation given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at **March 31, 2022**, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **MANISH N JAIN & CO.**  
*Chartered Accountants*  
FRN No. 138430W

**ARPIT AGRAWAL**  
Partner  
Membership No. 175398

Place: Nagpur  
Dated: **May 16, 2022**  
UDIN No.: **22175398AJDWXH7920**



## Balance Sheet as at March 31, 2022

(₹ in Lakhs)

Particulars	Notes	As at March 31, 2022	As at March 31, 2021
<b>ASSETS:</b>			
<b>1. NON-CURRENT ASSETS</b>			
(a) Property, Plant and Equipments	2	8,057.00	6,154.24
(b) Intangible Assets	3	2.17	2.69
(c) Capital Work-in-Progress	4	79.50	91.13
<u>Financial Assets</u>			
(d) Other Financial Assets	5	0.30	-
(e) Other Non-Current Assets	6	102.99	45.41
<b>Total Non-Current Assets</b>		<b>8,241.98</b>	<b>6,293.48</b>
<b>2. CURRENT ASSETS</b>			
(a) Inventories	7	1,472.20	1,740.47
(b) Financial Assets:			
- Trade Receivables	8	2,456.31	1,730.62
- Cash and Cash Equivalents	9A	8.12	191.29
- Other Balances with Bank	9B	75.20	93.85
- Other Financial Assets	10	192.59	79.39
(c) Other Current Assets	11	505.06	122.66
(d) Current Tax Assets (Net)	12	7.09	15.38
<b>Total Current Assets</b>		<b>4,716.60</b>	<b>3,992.22</b>
<b>TOTAL ASSETS</b>		<b>12,958.58</b>	<b>10,285.70</b>
<b>EQUITY AND LIABILITIES:</b>			
<b>EQUITY</b>			
(a) Equity Share Capital	13	293.19	293.19
(b) Other Equity	14	5,007.62	3,558.08
<b>Total Equity</b>		<b>5,300.81</b>	<b>3,851.27</b>
<b>LIABILITIES</b>			
<b>1. Non-Current Liabilities</b>			
<u>(a) Financial Liabilities</u>			
- Borrowings	15	3,091.20	2,124.75
- Long-Term Financial Liabilities	16	208.84	20.43
(b) Long Term Provisions	17	381.03	440.68
(c) Deferred Tax Liabilities (Net)	18	389.25	399.60



## Suryaamba Spinning Mills Limited

(d) Other Non-Current Liabilities	19	37.77	107.02
<b>Total Non-Current Liabilities</b>		<b>4,108.12</b>	<b>3,092.51</b>
<b>2. Current Liabilities</b>			
(a) <u>Financial Liabilities</u>			
- Borrowings	20	1,272.46	1,486.75
- Trade Payables	21	1,187.50	899.62
- Other Financial Liabilities	22	957.45	832.14
(b) Other Current Liabilities	23	99.71	77.96
(c) Short Term Provisions	24	23.79	39.77
(d) Current Tax Liabilities(Net)	25	8.71	5.53
<b>Total Current Liabilities</b>		<b>3,549.64</b>	<b>3,341.91</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>12,958.58</b>	<b>10,285.70</b>

Significant Accounting Policies 1

See accompanying notes are forming integral part of the financial statements.

As per our attached report of even date

For **MANISH N. JAIN & CO.**

Chartered Accountants

FRN No.: 138430W

**ARPIT AGRAWAL**

Partner

Membership No. 175398

For and on behalf of the Board of Directors

**VIRENDER KUMAR AGARWAL**

Managing Director

DIN:00013314

**SEEMA AGARWAL**

Jt. Managing Director

DIN: 01430206



**Suryaamba Spinning Mills Limited**

Place: Nagpur

Date: **May 16, 2022**

UDIN No.: **22175398AJDWXH7920**

**GAJANAN N. CHHAWSARIA**

**Chief Financial Officer**

Place: Nagpur

Date: **May 16, 2022**

**KRITI LADHA**

**Company Secretary**

**M. No. A61729**



## Statement of Profit and Loss for the year ended March 31, 2022

(₹ in Lakhs)

Particulars		Notes	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>I.</b>	<b>REVENUE</b>			
	Revenue from Operations	26	22,665.59	12,568.29
	Other Income	27	121.72	85.10
<b>II.</b>	<b>TOTAL REVENUE</b>		<b>22,787.32</b>	<b>12,653.39</b>
<b>III.</b>	<b>EXPENSES</b>			
	Cost of Materials Consumed	28	11,759.55	6,419.28
	Purchase of Stock-in-Trade		1271.46	648.01
	Changes in Inventories of Finished Goods, Work-in-Progress	29	164.45	18.17
	Employee Benefits Expense	30	2,394.51	1,766.56
	Finance Costs	31	473.420	438.16
	Depreciation and Amortization Expenses	32	489.25	468.24
	Other Expenses	33	4,391.45	2,396.29
<b>IV.</b>	<b>Total Expenses</b>		<b>20,944.12</b>	<b>12,154.73</b>
<b>V.</b>	<b>Profit Before Exceptional Item and Tax (II - IV)</b>		<b>1,843.19</b>	<b>498.65</b>
	Exceptional Items		-	-
<b>VI.</b>	<b>Profit Before Tax (PBT)</b>		<b>1,843.19</b>	<b>498.65</b>
<b>VII.</b>	<b>Tax Expenses:</b>			
	Current Tax	18	414.30	88.03
	Deferred Tax	18	(15.89)	(14.34)
<b>VIII.</b>	<b>Total Tax Expenses</b>		<b>398.41</b>	<b>73.68</b>
<b>IX.</b>	<b>Profit After Tax (PAT) (VI - VIII)</b>		<b>1,444.78</b>	<b>424.96</b>
<b>X.</b>	<b>Other Comprehensive Income</b>			
	(i) Items that will not be reclassified to Profit or Loss			
	(a) Re-measurements of the Defined Benefit Plans		22.02	9.20
	(b) Income Tax Expenses on the above		(5.54)	(2.56)
	(ii) Items that will be reclassified subsequently Statement of Profit and Loss		-	-
	<b>Other Comprehensive Income</b>		<b>16.48</b>	<b>6.64</b>
<b>XI.</b>	<b>Total Comprehensive Income for the year (IX + X)</b>		<b>1,461.26</b>	<b>431.61</b>
<b>XII.</b>	<b>Earnings per Equity Share</b>			
	Basic (In ₹)	46	<b>49.28</b>	<b>14.49</b>
	Diluted (In ₹)	46	<b>49.28</b>	<b>14.49</b>

Significant Accounting Policies

1

See accompanying notes are forming integral part of the financial statements.

As per our attached report of even date





**Suryaamba Spinning Mills Limited**

**For MANISH N. JAIN & CO.**

**For and on behalf of the Board of Directors**

**Chartered Accountants**

**FRN No.: 138430W**

**ARPIT AGRAWAL**

**VIRENDER KUMAR AGARWAL**

**SEEMA AGARWAL**

**Partner**

**Managing Director**

**Jt. Managing Director**

**Membership No. 175398**

**DIN:00013314**

**DIN: 01430206**

**UDIN No.: 22175398AJDWXH7920**

**GAJANAN N. CHHAWSARIA**

**KRITI LADHA**

**Chief Financial Officer**

**Company Secretary**

**Place: Nagpur**

**Place: Nagpur**

**M. No. A61729**

**Date: May 16, 2022**

**Date: May 16, 2022**



## Statement of Cash Flow at March 31, 2022

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit / (Loss) before Tax for the year as per the Statement of Profit or Loss	1,843.19	498.65
<u>Adjustments for:</u>		
Depreciation and Amortization Expenses	489.25	468.24
Finance Costs	473.42	438.16
Provision for Unsecured Doubtful Debts and Advances	(2.99)	5.76
Rental Income	(10.90)	(11.75)
Interest Income	(11.63)	(16.83)
Deferred Revenue Income	(4.25)	(4.25)
(Surplus) / Loss on Disposal of Property, Plants and Equipment (Net)	6.62	(15.85)
<b>Operating Profit before Working Capital Changes</b>	<b>2,782.72</b>	<b>1,362.12</b>
<u>Adjustments for:</u>		
(Increase) / Decrease in Inventories	268.27	(288.89)
(Increase) / Decrease in Trade Receivables	(722.70)	(347.41)
(Increase) / Decrease in Financial Assets	(113.50)	(20.82)
(Increase) / Decrease in Other Current Assets	(363.86)	119.72
Increase / (Decrease) in Short Term Borrowings	(214.28)	219.48
Increase / (Decrease) in Trade Payables	287.76	6.27
Increase / (Decrease) in Financial Liabilities	313.72	91.48
Increase / (Decrease) in Other Current Liabilities	(43.24)	35.72
Increase / (Decrease) in Short Term Provisions	(53.60)	11.20
<b>Cash Generated from Operating Activities</b>	<b>2,141.26</b>	<b>1,188.89</b>
Income Tax Paid (Net of Refund) during the year	(402.83)	(82.50)
<b>Net Cash Generated / (Used) from Operating Activities (A)</b>	<b>1,738.43</b>	<b>1,106.38</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Investment in Property, Plants and equipment's	(2,398.12)	(226.40)
(Increase) / Decrease in Capital Work-in-Progress	11.63	(83.32)
Capital Advances	(57.58)	(19.68)
(Purchase)/Redemption of Term Deposits	12.94	1.46
Rental Income	10.90	11.75
Interest Income	11.63	16.83
<b>Net Cash Generated / (Used) from Investing Activities (B)</b>	<b>(2,408.59)</b>	<b>(299.36)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Fresh Issue of Equity Shares	-	-
Proceeds / (Repayments) from Long-term Borrowings	966.44	(171.96)
Finance Cost	(473.42)	(438.16)
Dividend and Dividend Distribution Tax Paid	(6.02)	(19.89)
<b>Net Cash Received / (Used) from Financing Activities (C)</b>	<b>486.99</b>	<b>(630.01)</b>
<b>D. Net Increase / (Decrease) in Cash and Cash Equivalents (A + B + C)</b>	<b>(183.16)</b>	<b>177.00</b>
<b>E. Cash and cash equivalents at the beginning of the year</b>	<b>191.29</b>	<b>14.28</b>
<b>F. Cash and cash equivalents at the end of the year</b>	<b>8.12</b>	<b>191.29</b>
<b>G. Increase/ (Decrease) in Cash and Cash Equivalents (F-E)</b>	<b>(183.16)</b>	<b>177.00</b>

Notes:



## Suryaamba Spinning Mills Limited

(a) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standards (Ind AS - 7) - "Statement of Cash Flow"

(b) Cash and Cash Equivalent's Comprises of:

(₹ in Lakhs)			
S.No.	Particulars	As at March 31, 2022	As at March 31, 2021
1	Balances with Banks:		
	i) Current Accounts	9.81	11.52
	Less: Unpaid / Unclaimed Dividend	(5.33)	(11.03)
	ii) Deposits with Bank with the Maturity of less than 3 Months	-	189.25
2	Cheques and Drafts on Hand	-	-
3	Cash in Hand	3.64	1.55
	<b>Cash and Cash Equivalents in the Cash Flow Statements</b>	<b>8.12</b>	<b>191.29</b>

### Significant Accounting Policies

1

See accompanying notes are forming integral part of the financial statements.

As per our attached report of even date

For **MANISH N. JAIN & CO.**

Chartered Accountants

FRN No.: 138430W

**ARPIT AGRAWAL**

Partner

Membership No. 175398

UDIN No.: 22175398AJDWXH7920

Place: Nagpur

Date: May 16, 2022

For and on behalf of the Board of Directors

**VIRENDER KUMAR AGARWAL**

Managing Director

DIN:00013314

**GAJANAN N. CHHAWARIA**

Chief Financial Officer

Place: Nagpur

Date: May 16, 2022

**SEEMA AGARWAL**

Jt. Managing Director

DIN: 01430206

**KRITI LADHA**

Company Secretary

M. No. A61729



## Statement of Changes in Equity for the year ended March 31, 2022

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number	(₹ in Lakhs)	Number	(₹ in Lakhs)
<b>A) Equity Share Capital</b>				
Balance at the beginning of reporting period	2931944	293.19	2931944	293.19
Net issued Share Capital at beginning of reporting period	2931944	293.19	2931944	293.19
Changes in Equity Share Capital during reporting period	-	-	-	-
Balance at the closing of reporting period	2931944	293.19	2931944	293.19

### B) Other Equity

(₹ in Lakhs)

Particulars	Capital Redemption Reserve	Securities Premium	General Reserve	Retained Earnings	Total Other Equity
<b>Balance as at April 01, 2020 (A)</b>	<b>830.53</b>	<b>358.96</b>	<b>418.99</b>	<b>1,539.27</b>	<b>3,147.75</b>
Additions During the Year :					
Net Profit / (Loss) during the year	-	-	-	424.96	<b>424.96</b>
Other comprehensive income for the year	-	-	-	-	-
Transferred from Statement of Profit and Loss	-	-	0.50	-	<b>0.50</b>
Transferred from General Reserve	-	-	-	-	-
Items of Other Comprehensive Income for the year (Net of Taxes)	-	-	-	-	-
Re-measurement of benefit of defined benefit plans	-	-	-	6.64	<b>6.64</b>
<b>Total Comprehensive Income for the year 2019 - 2020 (B)</b>	<b>-</b>	<b>-</b>	<b>0.50</b>	<b>431.61</b>	<b>432.11</b>
Reductions during the year:					
Adjustment in respect of Gratuity Provision (Net of Taxes)	-	-	-	-	-
Final Dividend	-	-	-	17.66	<b>17.66</b>
Income Tax on Final Dividend	-	-	-	3.61	<b>3.61</b>
Transferred to Capital Redemption Reserve	-	-	-	-	-
Transferred to General Reserve	-	-	-	-	-
<b>Total Reductions during the year (C)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21.28</b>	<b>21.28</b>



Suryaamba Spinning Mills Limited

Balance as at March 31, 2021 (D) = (B-C)	830.53	358.96	419.48	1,949.11	3,558.08
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**Statement of Changes in Equity for the year ended March 31, 2022**

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number	(₹ in Lakhs)	Number	(₹ in Lakhs)
<b>A) Equity Share Capital</b>				
Balance at the beginning of reporting period	2931944	293.19	2931944	293.19
Net issued Share Capital at beginning of reporting period	2931944	293.19	2931944	293.19
Changes in Equity Share Capital during reporting period	-	-	-	-
Balance at the closing of reporting period	2931944	293.19	2931944	293.19

Particulars	(₹ in Lakhs)				
	Capital Redemption Reserve	Securities Premium	General Reserve	Retained Earnings	Total Other Equity
<b>Balance as at April 01, 2021 (A)</b>	<b>830.53</b>	<b>358.96</b>	<b>419.48</b>	<b>1,949.11</b>	<b>3,558.08</b>
Additions During the Year :					
Net Profit / (Loss) during the year	-	-	-	1,444.78	<b>1,444.78</b>
Other comprehensive income for the year	-	-	-	-	-
Transferred from Statement of Profit and Loss	-	-	-	-	-
Transferred from General Reserve	-	-	-	-	-
Items of Other Comprehensive Income for the year (Net of Taxes)	-	-	-	-	-
Re-measurement of benefit of defined benefit plans	-	-	-	16.48	<b>16.48</b>
<b>Total Comprehensive Income for the year 2019 - 2020 (B)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,461.26</b>	<b>1,461.26</b>
Reductions during the year:					
Adjustment in respect of Gratuity Provision (Net of Taxes)	-	-	-	-	-
Final Dividend	-	-	-	11.72	<b>11.72</b>
Income Tax on Final Dividend	-	-	-	-	-
Transferred to Capital Redemption Reserve	-	-	-	-	-
Transferred to General Reserve	-	-	-	-	-
Total Reductions during the year (C)	<b>-</b>	<b>-</b>	<b>-</b>	<b>11.72</b>	<b>11.72</b>
<b>Balance as at March 31, 2022 (D) = (B-C)</b>	<b>830.53</b>	<b>358.96</b>	<b>419.48</b>	<b>3,399.15</b>	<b>5,008.12</b>

Significant Accounting Policies

1

See accompanying notes are forming integral part of the financial statements.

As per our attached report of even date



**Suryaamba Spinning Mills Limited**

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**For MANISH N. JAIN & CO.**

**For and on behalf of the Board of Directors**

**Chartered Accountants**

**FRN No.: 138430W**

**ARPIT AGRAWAL**

**VIRENDER KUMAR AGARWAL**

**SEEMA AGARWAL**

**Partner**

**Managing Director**

**Jt. Managing Director**

**Membership No. 175398**

**DIN:00013314**

**DIN: 01430206**

**UDIN No.: 22175398AJDWXH7920**

**GAJANAN N. CHHAWARIA**

**KRITI LADHA**

**Place: Nagpur**

**Chief Financial Officer**

**Company Secretary**

**Date: May 16, 2022**

**Place: Nagpur**

**M. No. A61729**

**Date: May 16, 2022**



## Notes to the Financial Statements for the year than ended on March 31, 2022

### 1. Corporate Information

**SURYAAMBA SPINNING MILLS LIMITED** is a Public Limited Company, domiciled and incorporated in India, under the provisions of Companies Act, 1956. The Registered office of the Company is situated at *First Floor, Surya Tower, 105, Sardar Patel Road, Secunderabad (T.L.) - 500003.*

The Company is mainly engaged in the business of manufacturing, selling and distribution and trading of specialty synthetic yarn. The Company's share are listed on Bombay Stock Exchange (BSE).

#### 1.1 BASIS OF PREPARATION

##### a) Accounting Convention

These financial statements are the separate financial statements of the Company (also called as financial statements) prepared in accordance with Indian Accounting Standard ("Ind AS") notified under the Companies Act, 2013 ("the Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standard) Rule, 2016, as amended.

The financial statements have been prepared and presented under the Historical Cost Convention, on accrual basis of the accounting except for certain financial assets and financial liabilities including derivative instruments, if any, that are measured at fair value at the end of each reporting period, defined benefit plans - plan assets are measured at fair value, as stated in the accounting policies set out below. These accounting policies have been applied consistently over all the period presented in these financial statements.

The Company's financial statements are prepared and presented in Indian Rupee (₹), which is also the functional currency for the Company.

##### b) Use of Estimates

The preparation of the financial statements is in conformity with the Ind AS requires managements to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amounts of the assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revision to accounting estimates are recognized in the period which the estimates are revised and in any future periods affected.

The key assumptions concerning the future and other key resources of estimation uncertainty at the reporting date, have a significant risk of causing a material adjustment to the carrying amount of the assets and liabilities within the next financial year. Are described as follow:

a) **Income Tax:** The Company's tax jurisdiction is in India. Significant judgments are involved in estimating budgeted profits for the purpose of paying advance tax, determining the income tax provisions, including the amount expected to be paid / recovered for uncertain. (Refer Note No. 18)



- b) **Property, Plants and Equipments:** Property, Plant and Equipments represent a significant proportion of the assets base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the management at the time the assets are acquired and reviewed periodically, including at each financial year end. Useful lives of each these assets are based on the life prescribed in Schedule II to the Companies Act, 2013 or based on the technical estimates, taking into account the nature of the assets, estimated usage, expected residual values and operating conditions of the assets. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the assets.
- c) **Defined Benefits Obligations:** The costs of providing Gratuity and other post -employment benefits are charged to the Statement of Profit and Loss in accordance with *Ind AS - 19, "Employee Benefits"* over the period during which benefit is derived from the employees' services. It is determined by using the Actuarial Valuation and assessed on the basis of assumptions selected by the management. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates. The same is disclosed in *Note No. 37, "Employee Benefits"*. Due to complexities involved in the valuation and its long - term in nature, a defined benefit obligation is highly sensitive to change in these assumptions. All assumptions are reviewed at each balance sheet date.
- d) **Fair Value measurements of Financial Instruments:** When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model, which involve various judgments and assumptions.
- e) **Recoverability of Trade Receivables:** Judgment are required in assessing the recoverability of overdue trade receivables and determining whether a provision is against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non - payments.
- f) **Provisions:** The timing of recognition and quantification of the liability requires which can be subject to change. The carrying amounts of provision and liabilities are reviewed regularly and revised to take the amount of changing the facts and circumstances.
- g) **Impairment of Financial and Non - Financial Assets:** The impairment provision of financial are based on the assumptions about the risk of default and expected cash loss rates. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of the reporting period.

In case of Non - Financial Assets, the Company estimates asset's recoverable amount, this is higher of an assets or Cash Generating Units (CGU) fair value less the cost of disposal and the value in use.

In assessing the value in use, the estimated future cash flows are discounted using the pre - tax discount rate that reflects current market assessments of the time value of money and the risk specific to the





assets. In determining the fair value less cost of disposal, recent market transactions are taken into accounts, if no such transactions can be identified, an appropriate valuation model is used.

- h) **Recognition of Deferred Tax Assets and Liabilities:** Deferred tax assets and liabilities are recognized for deductible temporary differences and unused tax losses for which there is probability of utilization against the future taxable profits. The Company uses judgments to determine the amount of deferred tax that can be recognized, based upon the likely timing and the level of future taxable profits and business developments.
- i) **Inventory Management:** Measurement of bulk inventory quantities of stock available at factory site is material, complex and involves significant judgements and estimates resulting from measuring the surface area. The Company performs physical counts of the above inventory on a periodic basis using internal / external experts to perform volumetric surveys and assessments, basis which estimates of quantity for these inventories is determined. The variation noted between book records and physical counts of the above inventories are evaluated and approximately accounted in the books of accounts.

c) **Current and Non - Current Classification**

An asset or a liability is classified as Current when it satisfies any of the following criteria:

- i) It is expected to be realized / settled, or is intended for sales or consumptions, in the Company's Normal Operating Cycle;
- ii) It is held primarily for the purpose of sale or consumption.
- iii) It is held primarily for the purpose trading.
- iv) It is expected to be realized / due to be settled within twelve months after the end of reporting date;
- v) The asset is cash or cash equivalents unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
- vi) The Company does not have an unconditional right to defer the settlement of the liabilities for at least twelve months after the reporting date.

All other assets and liabilities are classified as non - current.

For the purpose of Current / Non - Current classification of assets and liabilities, the Company has ascertained its operating cycle as twelve months. This is based on the nature of services and the time between the acquisition of the assets or liabilities for processing and their realization in Cash and Cash Equivalents.

## 1.2 Summary of Significant Accounting Policies

a) **Property, Plants and Equipments**

### Measurement at Recognition

An item of Property, Plants and Equipments that qualifies as an asset is measured on the initial recognition at cost, net of recoverable taxes, if any. Following the initial recognition, item of property, plants and equipments are carries at its cost less accumulated depreciation / amortization and accumulated impairment losses, if any.



## Suryaamba Spinning Mills Limited

The Company identifies and determines cost of each part of an item of Property, Plants and Equipments separately. If the part has a cost which is significant to the total costs of that item of Property, Plants and Equipments and has a useful life that is materially different from that of remaining items.

The cost of an item of property, plants and equipments comprises of its purchase price including import duties and other non - refundable purchase taxes or levies, directly attributable to the cost of bringing the assets to its present location and working condition for its intended use and the initial estimate of decommissioning, restoration and similar liabilities, if any. Any trade discount and rebates are deducted in arriving at the purchase price of such Property, Plants and Equipments.

Such cost also includes the cost of replacing a part of the plants and equipments and the borrowing cost of the long - term construction projects, if the recognition criteria are met. Expenses directly attributable to new manufacturing facility during its construction period are capitalized if the recognition criteria are met. Expenditure related to plans, designs and drawings of buildings or plant and machinery is capitalized under relevant heads of property, plants and equipments if the recognition criteria are met.

When the significant parts of Property, Plants and Equipments are required to be replaced at periodical intervals, the Company recognizes such part as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plants and equipments as a replacement, if the recognition criteria are satisfied, all other repair and maintenance costs are recognized in the Statement of Profit and Loss as when incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective assets, if the recognition criteria for a provision are met.

All the costs, including administrative, financing and general overhead expenses, as are specifically attributable to construction of a project or to the acquisition of a Property, Plants and Equipments or bringing it to its present location and working condition, is include as a part of the cost of construction of the project or as a part of the cost of Property, Plants and Equipments, till the commencement of commercial production. Any adjustments arising from exchange rate variations attributable to the Property, Plants and Equipments are capitalized as aforementioned.

Borrowing costs relating to the acquisition / construction of Property, Plants and Equipments which takes the substantial period of time to get ready for its intended use are also included in the cost of Property, Plants and Equipments / cost of constructions to the extent they relate to the period till such Property, Plants and Equipments are ready to be put to use.

Any subsequent expenditure related to an item of Property, Plants and Equipments is added to its book value only and only if it increases the future economic benefits from the existing asset beyond its previously assessed standard of performance.

Any items such as spare parts, stand by equipment and servicing equipment that meet the definitions of the Property, Plants and Equipments are capitalized at cost and depreciated over the useful life of the respective Property, Plants and Equipments. Cost is in the nature of repair and maintenances are recognized in the Statement of Profit and Loss as and when incurred.

### **Capital Work-in-Progress and Capital Advances**

Cost of Property, Plants and Equipments not ready for intended use, as on the balance sheet date, is shown as a "Capital Work-in-Progress". The Capital Work-in-Progress is stated at cost. Any expenditure in relation to survey and investigation of the properties is carried as Capital Work-in-Progress. Such expenditure is either capitalized as cost of the projects on completion of construction project or the same is expensed in the period in which it is decided to abandon such project.



## Suryaamba Spinning Mills Limited

Any advances given towards acquisition of Property, Plants and Equipments outstanding at each balance sheet date are disclosed as “Other Non – Current Assets”.

### Depreciation

Depreciation on each part of Property, Plants and Equipments is provided to the extent of the depreciable amount of the assets on the basis of “*Straight Line Method (SLM)*” on the useful life of the tangible property, plants and equipment as estimated by the management and is charged to the Statement of Profit and Loss, as per the requirement of *Schedule - II to the Companies Act, 2013*. The estimated useful life of the Property, Plants and Equipments has been assessed based on the technical advice which is considered in the nature of the Property, Plants and Equipments, the usage of the Property, Plants and Equipments, expected physical wear and tear of the such Property, Plants and Equipments, the operating conditions, anticipated technological changes, manufacturer warranties and maintenance support of the Property, Plants and Equipments etc.

When the parts of an item of the Property, Plants and Equipments have different useful life, they are accounted for as a separate item (major components) and are depreciated over their useful life or over the remaining useful life of the principal Property, Plants and Equipments, whichever is less.

The useful life of the items of Property, Plants and Equipments as estimated by the management is mentioned below:

S. No.	Name of Property, Plants and Equipments	Useful Life (In Years)
1.	Factory Building	30 Years
2.	Building (Other than Factory Building)	60 Years
3.	Plant and Machineries (Including Continuous Process Plant)	25 Years
4.	Furniture and Fixtures	10 Years
5.	Office Equipments	10 Years
6.	Computer and Other Data Processing units	3 Years
7.	Motor Vehicles	8 Years
8.	Electrical Installation and Other Equipments	10 Years
9.	Workshop Equipments and Testing Equipments	25 Years

The Company based on technical assessment made by the technical expert and management estimate, depreciate certain items of property, plants and equipments (as mentioned below) over the estimated



useful lives which are different from the useful lives as prescribed under Schedule - II of the Companies Act, 2013. The management believes that the useful life as given above is best to represent the period over which management expects to use these Property, Plants and Equipments.

Freehold land is not depreciated. Leasehold land and their improvement costs are amortized over the period of the lease.

The useful lives, residual value of each part of an item of Property, Plants and Equipments and the method of depreciation are reviewed at the end of each reporting period, if any, of these expectations differ from the previous estimates, such change is accounted for as a change in accounting estimate and adjusted prospectively, if appropriate.

### **Derecognition**

The carrying amount of an item of Property, Plants and Equipments and Intangible Assets is recognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from derecognition of the Property, Plants and Equipments is measured as the difference between the net disposal proceeds and the carrying amount of the assets and is recognized in the Statement of Profit and Loss, as and when the assets are derecognized.

## **b) Intangible Assets**

### **Measurement at Recognition**

Intangible assets acquired separately measured on the initial recognition at Cost. Intangible assets arising on the acquisition of business are measured at fair value as at the date of acquisition. Internally generated intangible assets including research cost are not capitalized and the related expenditure is recognized in the Statement of Profit and Loss in the period in which the expenditure is incurred. Following the initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment loss, if any.

### **Amortization**

Intangible assets with the finite lives are amortized on a "Straight Line Basis" over the estimated useful economics life of such Intangible assets. The amortization expenses on Intangible assets with the finite lives are recognized in the Statement of Profit and Loss.

The amortization period and the amortization method for an intangible asset with the finite useful life are reviewed at the end of each financial year. If any of these expectations differ from the previous estimates, such changes are accounted for as a change in an accounting estimate.

S. No.	Particulars	Useful Life (In Years)
1.	Software	5 Years

### **Derecognition**



The carrying amount of an Intangible assets are recognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an Intangible assets is measured as the difference between the net disposal proceeds and the carrying amount of the intangible assets and is recognized in the Statement of Profit and Loss, as and when such asset is derecognized.

### c) Impairment

Assets that have an indefinite useful life, for example goodwill, are not subject to amortization and are tested for impairment annually and whenever there is an indication that the asset may be impaired.

Assets that are subject to depreciation and amortization and assets representing investments in subsidiary and associate companies are reviewed for impairment, whenever events or changes in circumstances indicate that carrying amount may not be recoverable. Such circumstances include, though are not limited to, significant or sustained decline in revenues or earnings and material adverse changes in the economic environment.

The Company assesses at each reporting date whether there is an indication that assets may be impaired. If any indication exists based on internal or external factors, or when annual impairment testing for assets is required, the Company estimates the asset's recoverable amount. Where the carrying amount of the assets or its cash generating unit (CGU) exceeds its recoverable amount, the assets are considered impaired and is written down to its recoverable amount. The recoverable amount is the greater of the fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre - tax rate that reflects current market rates and the risk specific to the assets. For and assets that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the assets belong. Fair value less cost to sell is the best estimate of the amount obtainable from the sale of an asset in an arm's length transactions between knowledgeable, willing parties, less cost of disposal. After the impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the assets no longer exists or has decreased. However, the increase in the carrying amount of assets due to the reversal of an impairment loss is recognized to the extent it does exceed the carrying amount that would have been determined (net of depreciation) had no Impairment Loss been recognized for the assets in the prior years.

Impairment losses, if any, are recognized in the Statement of Profit and Loss and included in depreciation and amortization expense. Impairment losses are reversed in the Statement of Profit and Loss only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognized.

### d) Lease

A lease is classified at the inception date as finance lease or an operating lease. A lease that transfers substantially all the risk and rewards incidental to the ownership to the Company is classified as a finance lease. All other lease is classified as operating lease.

#### **The Company as a Lessee**



- a) **Operating Lease:** Rental payable under the operating lease are charged to the Statement of Profit and Loss on a Straight - line basis over the term of the relevant lease except where another systematic basis is more representative of time pattern in which economic benefits from the leased assets are consumed.
- b) **Finance Lease:** Finance lease are capitalized at the commencement of the lease, at the lower of the fair value of the property or the present value of the minimum lease payments. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation. Lease payments are apportioned between finance expenses and the reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are charged directly against the income over the period of the lease unless they are directly attributable to qualifying assets, in which case they are capitalized. Contingent rental is recognized as an expense in the period in which they are incurred.

A leased asset is depreciated over the useful lives of the assets, however, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the assets are depreciated over the shorter of the estimated useful lives of the assets and the lease terms.

**The Company as a Lessor:**

Lease payments under operating leases are recognized as an income on a straight - line basis in the statement of profit and loss over the lease term except where the lease payments are structured to increase in line with expected general inflation. The respective leased assets are included in the Balance Sheet based on their nature.

**e) Investments**

Investments are classified into Current or Non - Current Investments. Investments that are readily realizable and intended to be held for not more than a year from the date of acquisition are classified as Current Investments. All other Investments are classified as Non - Current Investments. However, that part of Non - Current Investments which are expected to be realized within twelve months from the Balance Sheet date is also presented under “Current Investments” under “Current portion of Non - Current Investments” in consonance classification of Current / Non – Current classification of Schedule - III of the Act.

All the equity investments which covered under the scope of Ind AS 109, “Financial Instruments” is measured at the fair value. Investment in Mutual Fund is measured at fair value through profit and loss (FVTPL). Trading Instruments are trading at fair value through profit and loss (FVTPL).

The cost of investments comprises the purchase price and directly attributable acquisition charges such as brokerage, fess and duties.

**f) Investments Properties**

The properties those are held for capital appreciation or for earning rentals or both or whose future use is undetermined is classified as Investment Properties. Items of investment properties are measured at cost less accumulated depreciation / amortization and accumulated impairment losses. Cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for its intended use. Investment properties are depreciated on straight line method on pro-rata basis at the rates specified therein. Subsequent expenditure including cost of major overhaul and inspection is recognized as



an increase in the carrying amount of the asset when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

**g) Inventories**

Inventories of the raw material, work-in-progress, finished goods, packing material, stores and spares, components, consumables and stock-in-trade are carried at lower of cost and net realizable value. However, raw material and other items held for use in production of inventories are not written down below cost, if the finished goods in which they will be incorporated are expected to be sold at or above cost. The comparison of cost and net realizable value is made on an item by item basis.

In determining the cost of raw materials, work-in-progress, finished goods, packing materials, stores and spares, components and stock-in-trade, "First in First Out (FIFO)" method is used. Cost of inventories included the cost incurred in bringing each product to its present location and conditions are accounted as follows:

**a) Raw Material:** Cost included the purchase price net of all direct and indirect taxes, duties (other than those which is recoverable from tax authorities) and other direct or indirect costs incurred to bring the inventories into their present location and conditions.

**b) Finished Goods and Work-in-Progress:-** Cost included cost of direct materials and packing material and the labor cost and an appropriate proportion of fixed and variable overhead based on the normal operating capacity of the Company, but excluding the borrowing costs but include the other costs incurred in bringing the inventories to their present location and condition. Fixed production overheads are allocated based of normal capacity of production facilities. Cost is determined on "First in First out basis(FIFO)".

**c) Stock-in-Trade:** Cost included the purchase price and other direct or indirect costs incurred in bringing the inventories to their present location and conditions. Cost is determined on "First in First Out Basis".

All other inventories of stores and spares, consumables, project material at site are valued at cost. The stock of waste or scrap is valued at net realizable value. Excise Duty wherever applicable is provided on the finished goods lying within the factory and bonded warehouse at the end of the reporting period.

"Net Realizable Value" is the estimated selling price of inventories in the ordinary course of business, less estimated costs of completion and estimated cost necessary to make the sales of the products.

**h) Borrowing Costs**

Borrowing Costs include the interest, commitments charges on bank borrowings, amortization of ancillary costs incurred in connection with the arrangement of borrowings.

Borrowing costs that are directly attributable to the acquisition or construction of qualifying property, plants and equipment are capitalized as a part of cost of that property, plants and equipments until such time that the assets are substantially ready for their intended use. Qualifying assets are assets which take the substantial period of time to get ready for the intended use or sale.

When the Company borrows the funds specially for the purpose of obtaining the qualifying assets, the borrowing costs incurred are capitalized with qualifying assets. When the Company borrows fund generally and use them for obtaining a qualifying assets, the capitalization of borrowing costs is computed on weighted average cost of general costs that are outstanding during the reporting period and used for acquisition of the qualifying assets.



Capitalization of the borrowing costs ceases when substantially all the activities necessary to prepare the qualifying assets for intended use are complete.

Other Borrowing Costs are recognized as expenses in the period in which they are incurred. Any interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Any exchange differences arising from foreign currency borrowings to the extent that they are regarded as adjustments to interest costs are recognized as Borrowing Costs, and are capitalized as a part of cost of such property, plants and equipment if they are directly attributable to their acquisition or charged to the Statement or Profit and Loss.

## **i) Employee Benefits**

### **Short - Term Employee Benefits**

All the employee benefits payable wholly within twelve months of rendering the services are classified as short - term employee benefits and they are recognized in the period in which the employee renders the related services. The Company recognizes the undiscounted amount of short - term employee benefits expected to be paid in the exchange for services are rendered as a liabilities (accrued expense) after deducting any amount already paid.

### **Post - Employment Benefits**

#### **a) Defined Contribution Plans**

Defined contribution plans are employee state insurance scheme and Government administrated pension fund scheme for all the applicable employees and superannuation scheme for all eligible employees. The Company's contribution to defined contribution plans is recognized in the Statement of Profit and Loss in the reporting period to which they relate.

#### **i) Recognition and Measurement of Defined Contribution Plans**

The Company recognizes contribution payable to a defined contribution plan as an expense in the Statement of Profit and Loss when the employees render services to the Company during the reporting period. If the contributions payable for services received from employees before the reporting date exceed the contributions already paid, the deficit payable is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the reporting date, the excess is recognized as an asset to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.

#### **b) Defined Benefits Plans**

#### **ii) Provident Fund Scheme**

The Company makes specified monthly contribution towards Employee Provident Fund scheme to a separate trust administrated by the Company. The minimum interest rate payable by the trust to the beneficiaries is being notified by the Government every year. The Company has an obligation to make good the shortfall, if any, between the return on investments of the trusts and the notified interest rate.

#### **iii) Pension Scheme**





The Company operates a defined benefit pension plans for certain specified employee satisfying certain conditions, as approved by the Board of Directors.

**iv) Post - Retirement Medical Benefit Plan**

The Company operates a defined post - retirement medical benefit plan for certain specified employees and payable upon the employee satisfying certain conditions.

**Recognition and Measurement of Defined Contribution Plans**

The cost of providing defined benefits is determined using the Projected Unit Cash Credit method with actuarial valuations being carried out at each Balance Sheet date. The defined benefit obligations recognized in the Balance Sheet represent the present value of the defined benefit obligations as reduced by the fair value of plan assets, if applicable. Any defined benefit assets (negative defined benefit obligations resulting from this calculation) is recognized representing the present value of available refunds and reductions in future contributions to the plan.

All expenses represented by current service cost, past service cost, if any, and net interest on the defined benefit liability / (asset) are recognized in the Statement of Profit and Loss. Remeasurements of the net defined benefit liabilities / (assets) comprising actuarial gains and losses and the return on the plan assets (excluding amounts included in net interest on the net defined benefit liabilities / assets), are recognized in Other Comprehensive Income. Such Remeasurements are not reclassified to the Statement of Profit and Loss in the subsequent periods.

Past service cost is recognized immediately to the extent that the benefits are already vested, else is amortized on a straight - line basis over the average period until the amended benefits become vested. Actuarial gain or losses in respect of the defined benefit plans are recognized in the Statement of Profit and Loss in the year in which they arise.

The Company preset the above liabilities as Current and Non - Current in the Balance Sheet as per the Actuarial Valuation by the Independent actuary; however, the entire liabilities towards gratuity is considered as current as the Company will contribute this amount to the Gratuity Fund within next twelve months.

**c) Other Long - Term Employee Benefits**

Entitlement to annual leave and sick leave are recognized when they accrue to employees, Sick leave can only be availed while annual leave can either be availed or encashed subject to the restriction on the maximum number of the accumulation of leave. The Company determines the liability for such accumulated leaves using the Projected Accrued Benefits method with the Actuarial Valuation being carried out at each Balance Sheet date.

**d) Employee Separation Costs**

Compensation to employees who have opted for retirement under the voluntary retirement scheme of the Company is payable in the year of exercise of option by the employee. The Company recognizes the employee separation cost when the scheme is announced and the Company is demonstrably committed to it.



The Company presents this liability as Current and Non - Current in the Balance Sheet as per the Actuarial Valuation by the Independent Actuary.

**j) Revenue Recognition**

Revenue is recognized when it is probable that economic benefit associated with the transaction flows to the Company in ordinary course of its activities and the amount of revenue can be measured reliably, regardless of when the payment is being made. Revenue is measured at the fair value of consideration received or receivable, taking into the account contractually defined terms of payments, net of its returns, trade discounts and volume rebates allowed.

Revenue includes only the gross inflows of economic benefits, including the excise duty, received and receivable by the Company, on its own account. Amount collected on behalf of third parties such as sales tax, value added tax and goods and service tax (GST) are excluded from the Revenue.

**Sale of Products**

Revenue from sales of goods is recognized, when all the significant risks and rewards of the ownership of the goods is passed to the buyer, recovery of the consideration is probable, associated cost can be estimated reliably, there is no continuing effective control or managerial involvement with the goods and amount of revenue can be measured reliably, which is generally considered on dispatch of goods to the customers except in case of the consignment sales.

Sales (Gross) includes Excise Duty but excludes VAT and Goods and Service Tax (GST) and is net of discounts and incentives to the customers. Excise Duty to the extent included in the gross turnover is deducted to arrive at the net turnover.

**Sale of Services**

Revenue from Sale of Services is recognized as per the Completed Service Contract Method of Revenue recognition except in the few cases when the Revenue from Sale of Services is recognized on accrual basis as per the Contractual agreement basis. Stage of completion is measured by the service performed till the balance sheet date as a percentage of total service contracted.

**Revenue from Contracts**

Revenue from contracts with customers is recognized on transfer of control of promised goods or services to a customer at an amount that reflects the consideration to which the Company is expected to be entitled to in exchange for those goods or services.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract. This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognized only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

**Export Incentives**

Export incentive revenues are recognized when the right to receive the credit is established and there is no significant uncertainty regarding the ultimate collection.



### Interest

Revenue from Interest income is recognized using the effective interest method. Effective Interest Rate (EIR) is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instruments or a shorter period, where appropriate, to the gross carrying amount of the financial assets or to the amortized cost of financial liability.

### Royalty

Royalty income is recognized on an accrual basis in accordance with the substance of the relevant agreement.

### Dividend

Revenue is recognized when the Company's right to receive the payment is established at the end of the reporting date, which is generally when the shareholders approve the dividend at the Annual General Meeting / Extraordinary General Meeting.

### Surplus / (Loss) on disposal of Property, Plants and Equipments / Investments

Surplus / (Loss) on disposal of property, plants and equipment or investment is recorded on transfers of title from the Company, and is determined as the difference between the sales price and carrying value of the property, plants and equipment or investments and other incidental expenses.

### Rental Income

Rental income arising from operating lease on investments properties is accounted for on a straight - line basis over the lease term except the case where the incremental lease reflects inflationary effect and rental income is accounted in such case by actual rent for the period.

### Insurance Claim

Claim receivable on account of insurance is accounted for to the extent the Company is reasonably certain of their ultimate collections.

### Other Income

Revenue from other income is recognized when the payment of that related income is received or credited.

## **k) Foreign Currency Transactions**

### **a) Initial Recognition**

Transactions in the Foreign Currencies entered into by the Company are accounted in the functional currency (i.e. Indian Rupee `), by applying the exchange rates prevailing on the date of the transaction. Any exchange difference arising on foreign exchange transactions settled during the reporting period are recognized in the Statement of Profit and Loss.

### **b) Conversion of Foreign Currency Items at Reporting Date**



## Suryaamba Spinning Mills Limited

Foreign Currency Monetary Items of the Company are restated at the end of the reporting date by using the closing exchange rate as prescribed by the Reserve Bank of India, RBI Reference Rate. Non - Monetary Items are recorded at the exchange rate prevailing on the date of the transactions. Non - Monetary Items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is measured. Exchange Differences arising out of these translations are recognized in the Statement of Profit and Loss except exchange gain or loss arising on Non - Monetary Items measured at fair value of the item which are recognized Statement of Profit and Loss or Other Comprehensive Income depending upon their fair value gain or loss recognizes in Statement of Profit or Loss and Other Comprehensive Income, respectively.

All the other exchange differences arising on settlement or translation of monetary items and the make to market losses / gain are dealt with in the Statement of Profit and Loss as Income or Expenses in the period in which they arise except to the extent that they are regarded as an adjustment to the Finance Costs on foreign currency borrowings that are directly attributable to the acquisition or constructions of the qualifying assets, are capitalized to the qualifying assets.

### l) Government Grants and Subsidies

The Company is entitled to receive any subsidy from the Government authorities or any other authorities in respect of manufacturing or other facilities are dealt as follows:

- i) Grants in the nature of subsidies which are non - refundable and are recognized as income where there is reasonable assurance that the Company will comply with all the necessary conditions attached to them. Income from grants is recognized on a systematic basis over periods in which the related costs that are intended to be compensated by such grants are recognized.
- ii) The Company has received refundable government loans at below market rate of interest which are accounted in accordance with the recognition and measurement principle of Ind AS 109, "Financial Instruments". The benefit of below-market rate of interest is measured as the difference between the initial carrying value of loan determined in accordance with Ind AS 109 and the proceeds received. It is recognized as income when there is a reasonable assurance that the Company will comply with all necessary conditions attached to the loans. Income from such benefit is recognized on a systematic basis over the period of the loan during which the Company recognizes interest expense corresponding to such loans.
- iii) Income from subsidies is presented on gross basis under the Revenue from Operations. Income arising from below market rate of interest loans is presented on gross basis under Other Income.

### m) Financial Instruments

A financial instruments are in any contract that gives rise to a financial assets of one entity and a financial liabilities or equity instruments of another entity.

#### Financial Assets

#### Initial Recognition and Measurement

The Company recognizes financial assets in its Balance Sheet when it becomes party to the contractual provisions of the instruments. All financial assets are recognized initially at fair value, plus in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial assets.



Where the fair value of a financial assets at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognized as a gain or loss in the Statement of Profit and Loss at initial recognition if the fair value is determined through a quoted market price in an active market for an identical asset (i.e. level 1 input) or through a valuation technique that uses data from observable markets (i.e. level 2 input).

In case the fair value is not determined using a level 1 or level 2 input as mentioned above, the difference between the fair value and transaction price is deferred appropriately and recognized as a gain or loss in the Statement of Profit and Loss only to the extent that such gain or loss arises due to a change in factor that market participants take into account when pricing the financial assets.

However, trade receivables that do not contain a significant financing component are measured at transaction price.

### **Subsequent Measurement**

For subsequent measurement, the Company classifies financial assets in accordance with the below criteria:

- i) The Company's business model for managing the financial assets and
- ii) The contractual cash flow characteristics of the financial assets.

Based on the above criteria, the Company classifies its financial assets into the following categories:

- i) Financial assets measured at amortized costs
- ii) Financial assets measured at fair value through other comprehensive income (FVTOCI)
- iii) Financial assets measured at fair value through profit or loss (FVTPL)

### **Financial Assets measured at Amortized Costs**

A financial assets are measured at the amortized costs if both the following conditions are met:

- a) The Company's business model objective for managing the financial assets is to hold financial assets in order to collect contractual cash flows, and
- b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to cash and bank balances, trade receivables, loans and other financial assets of the Company. Such financial assets are subsequently measured at amortized cost using the effective interest method.

Under the effective interest method, the future cash receipts are exactly discounted to the initial recognition value using the effective interest rate. The cumulative amortization using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial asset over the relevant period of the financial assets to arrive at the amortized cost at each reporting date. The corresponding effect of the amortization under effective interest method is recognized as interest income over the relevant period of the financial assets. The same is included under other income in the Statement of Profit and Loss.

The amortized costs of a financial assets are also adjusted for loss allowance, if any.



### **Financial Assets measured at FVTOCI**

A financial assets are measured at FVTOCI if both of the following conditions are met:

- a) The Company's business model objective for managing the financial assets is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to certain investments in debt instruments. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Other Comprehensive Income (OCI). However, the Company recognizes interest income and impairment losses and its reversals in the Statement of Profit and Loss.

On Derecognition of such financial assets, cumulative gain or loss previously recognized in OCI is reclassified from equity to Statement of Profit and Loss.

Further, the Company, through an irrevocable election at initial recognition, has measured certain investments in equity instruments at FVTOCI. The Company has made such election on an instrument-by-instrument basis. These equity instruments are neither held for trading nor are contingent consideration recognized under a business combination. Pursuant to such irrevocable election, subsequent changes in the fair value of such equity instruments are recognized in Other Comprehensive Income. However, the Company recognizes dividend income from such instruments in the Statement of Profit and Loss.

On Derecognition of such financial assets, cumulative gain or loss previously recognized in OCI is not reclassified from the equity to Statement of Profit and Loss. However, the Company may transfer such cumulative gain or loss into retained earnings within equity.

### **Financial Assets measured at FVTPL**

A financial assets are measured at FVTPL unless it is measured at amortized costs or at FVTOCI as explained above. This is a residual category applied to all other investments of the Company excluding investments in subsidiary and associate companies. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Statement of Profit and Loss.

### **Derecognition**

A financial assets (or, where applicable, a part of a financial assets or part of a group of similar financial assets) is derecognized (i.e. removed from the Company's Balance Sheet) when any of the following occurs:

- i) The contractual rights to cash flows from the financial assets expires;
- ii) The Company transfers its contractual rights to receive cash flows of the financial assets and has substantially transferred all the risks and rewards of ownership of the financial assets;
- iii) The Company retains the contractual rights to receive cash flows but assumes a contractual obligation to pay the cash flows without material delay to one or more recipients under a 'pass - through' arrangement (thereby substantially transferring all the risks and rewards of ownership of the financial assets);
- iv) The Company neither transfers nor retains substantially all risk and rewards of ownership and does not retain control over the financial assets.



In cases, where Company has neither transferred nor retained substantially all of the risks and rewards of the financial assets, but retains control of the financial assets, the Company continues to recognize such financial assets to the extent of its continuing involvement in the financial assets. In that case, the Company also recognizes an associated liabilities. The financial assets and the associated liabilities are measured on a basis that reflects the rights and obligations that the Company has retained.

On Derecognition of a financial assets, (except as mentioned in ii above for financial assets measured at FVTOCI), the difference between the carrying amount and the consideration received is recognized in the Statement of Profit and Loss.

### **Impairment of Financial Assets**

The Company applies expected credit losses (ECL) model for measurement and recognition of loss allowance on the following:

- i) Trade receivables and lease receivables
- ii) Financial assets measured at amortized cost (other than trade receivables and lease receivables)
- iii) Financials assets measured at fair value through other comprehensive income (FVTOCI)

In case of trade receivables and lease receivables, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognized as loss allowance.

In case of other assets (listed as ii and iii above), the Company determines if there has been a significant increase in credit risk of the financial assets since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12 months ECL is measured and recognized as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognized as loss allowance.

Subsequently, if the credit quality of the financial assets improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognizing impairment loss allowance based on 12 months ECL.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. 12 months ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months from the reporting date.

ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

As a practical expedient, the Company uses a provision matrix to measure lifetime ECL on its portfolio of trade receivables. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward - looking estimates. At each reporting date, the historically observed default rates and changes in the forward - looking estimates are updated.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income / expense in the Statement of Profit and Loss under the head "Other Expenses".



## **Financial Liabilities**

### **Initial Recognition and Measurement**

The Company recognizes a financial liabilities in its Balance Sheet when it becomes party to the contractual provisions of the instrument. All financial liabilities are recognized initially at fair value minus, in the case of financial liabilities not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial liabilities.

Where the fair value of a financial liabilities at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognized as a gain or loss in the Statement of Profit and Loss at initial recognition if the fair value is determined through a quoted market price in an active market for an identical asset (i.e. level 1 input) or through a valuation technique that uses data from observable markets (i.e. level 2 input).

In case the fair value is not determined using a level 1 or level 2 input as mentioned above, the difference between the fair value and transaction price is deferred appropriately and recognized as a gain or loss in the Statement of Profit and Loss only to the extent that such gain or loss arises due to a change in factor that market participants take into account when pricing the financial liabilities.

### **Subsequent Measurements**

All financial liabilities of the Company are subsequently measured at amortized cost using the effective interest method.

Under the effective interest method, the future cash payments are exactly discounted to the initial recognition value using the effective interest rate. The cumulative amortization using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial liabilities over the relevant period of the financial liabilities to arrive at the amortized cost at each reporting date. The corresponding effect of the amortization under effective interest method is recognized as interest expense over the relevant period of the financial liabilities. The same is included under finance costs in the Statement of Profit and Loss.

### **Derecognition**

A financial liabilities are derecognized when the obligation under the liabilities are discharged or cancelled or expires. When an existing financial liabilities are replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification are treated as the Derecognition of the original liabilities and the recognition of a new liabilities. The difference between the carrying amount of the financial liabilities derecognized and the consideration paid is recognized in the Statement of Profit and Loss.

## **n) Derivative Financial Instruments and Hedge Accounting**

The Company enters into derivative financial contracts in the nature of forward currency contracts with external parties to hedge its foreign currency risks relating to foreign currency denominated financial liabilities measured at amortized cost. The Company formally establishes a hedge relationship between such forward currency contracts ('hedging instrument') and recognized financial liabilities ('hedged item') through a formal documentation at the inception of the hedge relationship in line with the Company's Risk Management objective and strategy.





The hedge relationship so designated is accounted for in accordance with the accounting principles prescribed for a fair value hedge under Ind AS 109, "Financial Instruments".

### **Recognition and Measurement of Fair Value Hedge**

Hedging instrument is initially recognized at fair value on the date on which a derivative contract is entered into and is subsequently measured at fair value at each reporting date. Gain or loss arising from changes in the fair value of hedging instrument is recognized in the Statement of Profit and Loss. Hedging instrument is recognized as a financial asset in the Balance Sheet if its fair value as at reporting date is positive as compared to carrying value and as a financial liability if its fair value as at reporting date is negative as compared to carrying value.

Hedged item (recognized financial liability) is initially recognized at fair value on the date of entering into contractual obligation and is subsequently measured at amortized cost. The hedging gain or loss on the hedged item is adjusted to the carrying value of the hedged item as per the effective interest method and the corresponding effect is recognized in the Statement of Profit and Loss.

### **Derecognition**

On Derecognition of the hedged item, the unamortized fair value of the hedging instrument adjusted to the hedged item, is recognized in the Statement of Profit and Loss.

## **o) Fair Value**

The Company measures financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- \* In the principal market for the assets or liability, or
- \* In the absence of a principal market, in the most advantageous market for the assets or liabilities.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;

Level 3 - Inputs that are unobservable for the asset or liability

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period and discloses the same.



**p) Taxes on Income**

Tax expense comprises Current and Deferred Income tax. Tax expenses are recognized in the Statement of Profit and Loss, except to the extent that it relates to the items recognized in the other comprehensive income or in equity. In that case tax is also recognized in other comprehensive income or equity.

Current Income tax is the amount of income tax payable in respect of measured at the amount expected taxable profit for the period. Taxable profit differs from "Profit Before Tax" as reported under Statement of Profit and Loss because of item of expenses or income that are taxable or deductible in other years and items that are never taxable or deductible under Income Tax Act.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the Income Tax Authorities, based on tax rates and laws that are enacted at the balance sheet date. Current tax also includes any adjustments amount to tax payable in respect of previous year.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit under Income Tax Act, 1961.

Deferred tax liabilities are generally recognized for all taxable temporary differences. However, in case of temporary difference that arises from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit, deferred tax liabilities are not recognized. Also, for temporary differences if any that may arise from initial recognition of goodwill, deferred tax liabilities are not recognized.

Deferred tax assets are generally recognized for all deductible temporary differences to the extent it is probable that taxable profits will be available against which those deductible temporary difference can be utilized. In case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit, deferred tax assets are not recognized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the benefits of part or all of such deferred tax assets to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

**Presentation**

Current and deferred tax are recognized as income or an expense in the Statement of Profit and Loss, except when they relate to items that are recognized in Other Comprehensive Income, in which case, the current and deferred tax income / expense are recognized in Other Comprehensive Income.

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Company has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Company.

Minimum Alternative Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year



in which the MAT Credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountant of India, the said asset is created by the way of a credit to the Statement of Profit or Loss and shown as MAT Credit Entitlement. The Company reviews the same at each reporting period and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay Normal Income Tax during the specified period.

**q) Research and Developments**

Research and Developments expenditures of a revenue nature are expensed out under the respective heads of the account in the year in which it is incurred. Expenditure of development which does not meet the criteria for recognition as an intangible asset is recognized as an expense when it incurred.

Item of Property, Plants and Equipments and acquired Intangible Assets utilized for research and developments are capitalized and depreciated in accordance with the policies stated for Tangible Property, Plants and Equipments and Intangible Assets.

**r) Earnings per Share**

The Company reports the basic and diluted Earnings per Share (EPS) in accordance with Indian Accounting Standard - 33, "*Earnings per Share*". Basic EPS is computed by dividing the Net Profit or Loss attributable to the Equity Shareholders for the period by the weighted average number of equity shares outstanding during the period.

Diluted EPS is computed by dividing the Net Profit or Loss attributable to the Equity Shareholders for the period by the weighted average number of Equity Shares outstanding during the period as adjusted for the effects of all potential Equity Shares, except where the results are Anti - Dilutive.

The weighted average number of Equity Shares outstanding during the period is adjusted for events such a Bonus Issue, Bonus elements in right issue, share splits, and reverse share split (consolidation of shares) that have changed the number of Equity Shares outstanding, without a corresponding change in resources.

Partly paid - up Equity Shares, if any, are treated as fraction of Equity Shares to the extent that they are entitled to participate in dividends to a fully paid equity shares during the Reporting Period.

**s) Provisions and Contingencies**

The Company recognizes provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated.

If the effect of time value of money is material, provisions are discounted using a current pre - tax rate that reflects, when appropriate, the risks specific to the liabilities. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance costs.

A disclosure for a contingent liabilities are made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.



A provision is recognized if, as a result of a past event, the Company has a present legal obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate of the outflow of economic benefits required to settle the obligation at the reporting date. Where no reliable estimate can be made, a disclosure is made as Contingent Liabilities.

In the rare cases, when a liabilities cannot be measures reliable, it is classified as Contingent Liabilities. The Company does not recognize a Contingent Liabilities but disclosed its existence in the financial statements.

**t) Event after Reporting Date**

Where events occurring after the Balance Sheet date provide evidence of condition that existed at the end of reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

All the events occurring after the Balance Sheet date up to the date of the approval of the financial statement of the Company by the board of directors on **May16, 2022**, have been considered, disclosed and adjusted, wherever applicable, as per the requirement of Indian Accounting Standards.

**u) Non - Current Assets Held for Sales**

The Company classifies non - current assets as held for sale if their carrying amount will be recovered principally through a sale rather than through continuing use of the assets and action required to complete such sale indicate that it is unlikely that significant changes to the plan to sell will be made or that the decision will be withdrawn. Also, such assets are classified as held for sale only if the management expects to complete the sale within one year from the date of classification.

Non - current assets classified as held for sale are measured at the lower of their carrying amount and the fair value less cost to the sell. Non - current assets are not Depreciated or Amortized.

**v) Cash Flow Statements**

Cash Flows Statements are reported using the method set out in the Indian Accounting Standard - 7, "*Cash Flow Statements*", whereby the Net Profit / (Loss) before tax is adjusted for the effects of the transactions of a non - cash nature, any deferrals or accrual of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

**w) Cash and Cash Equivalents**

Cash and Cash Equivalents include Cash and Cheques in Hand, Balances with Banks, and demand deposits with Banks and other short term highly liquid investments where the original maturity is less than three months or less.

**1.3 RECENT ACCOUNTING PRONOUNCEMENT**

On March 23, 2022, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule - III of the Companies Act, 2013. The amendment revise Division I, II and III of Schedule III and are applicable



## Suryaamba Spinning Mills Limited

from April 01, 2021. Key amendments relating to Division II which relate to Companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules, 2015 are:

- Lease Liabilities should be separately disclosed under the head of “financial liabilities”, duly distinguished as current or non – current.
- Certain additional disclosures in the Statement of Changes in Equity such as changes in Equity share capital due to prior errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for aging schedule of trade receivables, trade payables, capital work-in-progress and intangible assets under development.
- If a Company has not used the fund for specific purpose for which it was borrowed from banks and financial institutions, then disclosures of details of where it has been used.
- Specific disclosures under “Additional Regulatory Requirements” such as compliance with approved scheme of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in the name of Company, loans and advances to promoters, directors, key managerial persons (KMP) and related parties, details of benami property held etc.
- Additional disclosure relating to Corporate Social Responsibility (CSR), undisclosed income and crypto and virtual currency specified under the head “additional information” in the notes forming part of the financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by the law.

## 2. PROPERTY, PLANT AND EQUIPMENT

### Tangible Assets

(₹in Lakhs)

Particulars	Gross Carrying Value				Accumulated Depreciation				Net Carrying Value	
	As at April 01, 2021	Additions	Deductions	As at March 31, 2022	As at April 01, 2021	Additions	Deductions	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
<b>A. Land:</b>										
Free hold Land	166.70	-	-	166.70	-	-	-	-	166.70	166.70
<b>B. Buildings</b>										
Factory Building	1,704.76	439.01	-	2,143.77	297.75	73.62	-	371.38	1,772.39	1,407.00
Non-Factory	956.88	33.23	-	990.12	78.92	18.23	-	97.15	892.97	877.96



**Suryaamba Spinning Mills Limited**

C. <b>Building Furniture &amp; Fixtures</b>										
Furniture & Fixtures	42.14	8.58	-	50.72	18.41	2.50	-	20.92	29.80	23.72
D. <b>Plant &amp; Machinery</b>										
Plant & Machinery	5,040.52	1,758.71	33.54	6,765.69	1,577.92	370.29	23.16	1,925.05	4,840.63	3,462.59
Electrical Installation	217.37	133.56	-	350.93	110.64	6.77	-	117.42	233.51	106.72
E. <b>Office Equipments</b>										
Office Equipments	12.36	0.79	-	13.15	5.88	1.07	-	6.95	6.19	6.47
F. <b>Motor Vehicles</b>										
Motor Vehicles	167.96	23.22	-	191.18	67.91	16.07	-	83.99	107.19	100.04
G. <b>Computer &amp; Peripherals</b>										
Computer & Peripherals	11.25	4.74	-	16.00	8.26	0.15	-	8.42	7.57	2.98
<b>Total</b>	<b>8,319.97</b>	<b>2,401.89</b>	<b>33.54</b>	<b>10,688.31</b>	<b>2,165.73</b>	<b>488.74</b>	<b>23.16</b>	<b>2,631.31</b>	<b>8,057.00</b>	<b>6,154.24</b>

<b>Previous Year</b>	<b>8,103.54</b>	<b>258.85</b>	<b>42.41</b>	<b>8,319.97</b>	<b>1,720.63</b>	<b>468.23</b>	<b>23.12</b>	<b>2,165.73</b>	<b>6,154.24</b>	<b>6,382.91</b>
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Note \* The amount of Contractual Commitments for the purpose of acquisition or constructions of the Property, Plants and Equipments is disclosed under "Note No. 40", if any.

**3. INTANGIBLE ASSETS**

(₹in

Lakhs)

Particulars	Gross Block			Amortization				Net Block		
	As at April 01,	Additions	Deductions	As at March 31,	As at April 01, 2021	Additions	Deductions	As at March 31,	As at March 31,	As at March 31,



Suryaamba Spinning Mills Limited

	2021			2022				2022	2022	2021
<b>A. Intangible Assets</b>										
Computer Software	2.70	-	-	2.70	0.00984	0.51308	-	0.52292	2.17	2.69
<b>Total</b>	<b>2.70</b>	-	-	<b>2.70</b>	<b>0.00984</b>	<b>0.51308</b>	-	<b>0.52292</b>	<b>2.17</b>	<b>2.69</b>

<b>Previous Year</b>	-	2.70	-	2.70	-	0.00984	-	0.52292	2.69	-
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Note \* The amount of Contractual Commitments for the purpose of acquisition or constructions of the Property, Plants and Equipments is disclosed under "Note No. 40", if any.

**4. CAPITAL WORK-IN-PROGRESS**

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
For Factory Building	76.14	85.11
For Plant and Machineries	3.36	6.02
<b>Total</b>	<b>79.50</b>	<b>91.13</b>

**5. OTHER NON-CURRENT FINANCIAL ASSETS**

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Others</b>		
Security Deposits	0.30	-
<b>Total</b>	<b>0.30</b>	<b>-</b>

**6. OTHER NON-CURRENT ASSETS**  
in Lakhs)

(₹

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Non-Current Capital Advances</b>		
	102.99	45.41
<b>Total</b>	<b>102.99</b>	<b>45.41</b>

**7. INVENTORIES\***  
Lakhs)

(₹ in



## Suryaamba Spinning Mills Limited

Particulars	As at March 31, 2022	As at March 31, 2021
(Valued at Lower of Cost or Net Realizable Value)		
Raw Materials	752.03	967.03
Raw Materials in transit	40.58	-
Work-in-Progress	237.25	184.24
Finished Goods	241.90	459.41
Packing Materials	58.95	31.92
Stores, Spares and Consumables	141.33	97.76
Waste Scrap	0.14	0.09
<b>Total</b>	<b>1472.20</b>	<b>1,740.47</b>

\* Cost of Inventories recognized as an expense during the year is disclosed in Note No. 29.

\* Cost of Inventories recognized as an expense included ` NIL (Prev Year ` NIL) in respect of written down of inventories to net realizable value. There has no such written down to current year and previous year.

### 8. TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Secured, Considered Good	-	-
Unsecured, Considered Good	2459.08	1,736.38
Less :- Allowance for unsecured doubtful debts	2.77	5.76
<b>Total</b>	<b>2456.31</b>	<b>1,730.62</b>

\*\* Refer "Note No. 36B" for Credit Risk and Market Risk of Trade Receivables.

### 9. CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
A) Balances with Banks		
In Current Accounts	4.47	0.48
Term Deposits with Original Maturity of less than 3 months but less than one year	-	189.25
Cash in hand	3.64	1.55
<b>Total (A)</b>	<b>8.12</b>	<b>191.29</b>
B) Other Balance with Banks		
Term Deposits with Original Maturity of more than 12 months *	69.87	82.81
Unpaid Dividend**	5.33	11.03
<b>Total (B)</b>	<b>75.20</b>	<b>93.85</b>
<b>Total (A+B)</b>	<b>83.32</b>	<b>285.14</b>





## Suryaamba Spinning Mills Limited

\* Held as lien by the banks or financial institution against the bank guarantee provided to Government Authorities and Other Government institutions amounting to ₹ 69.87Lakhs (Previous Year ₹ 82.82Lakhs) for availing the various facilities with them.

\*\* The Company can utilize these balances only towards the settlement of "Unclaimed Dividend".

### 10. OTHER CURRENT FINANCIAL ASSETS

(₹ in

Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Others</b>		
Incentives Receivables	192.59	79.39
<b>Total</b>	<b>192.59</b>	<b>79.39</b>

### 11. OTHER CURRENT ASSETS

(₹

in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Others</b>		
Advance to Staff	3.36	3.46
Advances to Vendors	345.01	52.20
Balances with Revenue Authorities	156.68	85.31
Rental Deposits	-	0.21
<b>Total</b>	<b>505.06</b>	<b>141.20</b>

### 12. CURRENT TAX ASSETS (NET)

(₹

in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Income Tax</b>		
Advance Payment Income Tax (Net)	7.09	15.38
<b>Total</b>	<b>7.09</b>	<b>15.38</b>

### 13. EQUITY SHARE CAPITAL

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number	(₹ in Lakhs)	Number	(₹ in Lakhs)
<u>Authorized</u>				



## Suryaamba Spinning Mills Limited

Equity shares of ₹ 10 each	50,00,000	500.00	50,00,000	500.00
Preference Shares of ₹100 each	15,00,000	1,500.00	15,00,000	1,500.00
	<b>65,00,000</b>	<b>2,000.00</b>	<b>15,00,000</b>	<b>1,500.00</b>
<u>Issued, subscribed and fully paid-up</u>				
Equity shares of ₹10/- each	29,31,944	293.19	29,31,944	293.19
<b>Total</b>	<b>29,31,944</b>	<b>293.19</b>	<b>29,31,944</b>	<b>293.19</b>

### a) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period :

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number	(₹ in Lakhs)	Number	(₹ in Lakhs)
<u>Equity shares</u>				
At the beginning of the reporting period	29,31,944	293.19	29,31,944	293.19
Own shares held through trust	-	-	-	-
Net issued Share Capital at beginning of reporting period	29,31,944	293.19	29,31,944	293.19
Add: Issued during the reporting period	-	-	-	-
Less: Buyback during the reporting period	-	-	-	-
<b>Outstanding at the end of the reporting period</b>	<b>29,31,944</b>	<b>293.19</b>	<b>29,31,944</b>	<b>293.19</b>

### b) Terms / Rights attached to Equity Shares:

- i) The Company has only one class of shares referred to as Equity Shares having a par value of ₹ 10 per share. Each holder of Equity Shares is entitled to one vote per share.
- ii) The Company declares and pays the dividend in Indian Rupees (₹). The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.
- iv) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in the proportion to the number of equity shares held by the shareholders

### c) Details of shareholders holding more than 5% shares in the Company:

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Virender Kumar Agarwal	12,06,191	41.14	12,06,191	41.14
Seema Agarwal	6,42,250	21.91	6,42,250	21.91
Mayank Agarwal	2,70,997	9.24	2,70,997	9.24
<b>Total Nos. of Shares Held</b>	<b>21,19,438</b>	<b>72.29</b>	<b>21,19,438</b>	<b>72.29</b>



## Suryaamba Spinning Mills Limited

\*As per the records of the Company, including the register of members.

The Board of Directors, at its meeting held on May 16, 2022 have recommended a payment of final dividend of ₹1.00 (One rupee only) per equity shares of the face value of ₹10 each for the financial year ended March 31, 2022. The Board of Directors has not declared any interim dividend during the reporting period.

### 14. OTHER EQUITY

(₹

in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b><u>Capital Redemption Reserve</u></b>		
Balance as per last financial statements	830.52	830.52
<u>Add:</u> Transferred from General Reserve	-	-
<b>Total (A)</b>	<b>830.52</b>	<b>830.52</b>
<b><u>Securities Premium</u></b>		
Balance as per last financial statements	358.95	358.95
<u>Add:</u> Addition made during the period	-	-
<b>Total (B)</b>	<b>358.95</b>	<b>358.95</b>
<b><u>General Reserves</u></b>		
Balance as per last financial statements	419.48	418.98
<u>Add:</u> Addition made during the period	-	0.50
<b>Total (C)</b>	<b>419.48</b>	<b>419.48</b>
<b><u>Retained Earnings</u></b>		
Balance as per last financial statements	1949.11	1,539.27
<u>Add:</u> Net Profit / (Loss) during the period	1444.78	424.96
<u>Add:</u> Remeasurements of Defined Benefit Plans (Net of Tax)	16.48	6.64
<u>Less:</u> Transferred to General Reserve	-	(0.50)
<u>Less:</u> Final Dividend	(11.72)	(17.66)
<u>Less:</u> Income Tax on Final Dividend	-	(3.61)
<b>Total (D)</b>	<b>3398.65</b>	<b>1,949.11</b>
<b>Total (A + B + C + D)</b>	<b>5007.62</b>	<b>3,558.08</b>

#### **Description of Nature and Purpose of each Reserve**

**Capital Redemption Reserve:** As per Companies Act, 2013, Capital Redemption Reserve is created when a Company buy back its own shares out of free reserves or securities premium. A sum equal to the nominal value of the share so purchased is transferred to Capital Redemption Reserve. The reserve is utilized in accordance with the provision of section 69 of the Companies Act, 2013. The reserve was created for redemption of preference share in the financial year 2019 - 2020 amounted ₹7,73,00,000.

**Securities Premium:** It is used to record the premium on issue of Equity or Preference Share. These



## Suryaamba Spinning Mills Limited

reserve is utilized in accordance with the provision of Companies Act, 2013.

**General Reserve:** General Reserve is created from time to time by way of transfer of profits from retained earnings for the purpose of appropriation. General Reserve is created by a transfer from one component of equity to another component of equity and it is not the part of other comprehensive income.

**Retained Earnings:** Retained Earning reserve represents the undistributed accumulated earnings of the Company as on the date of financial statements.

### 15. BORROWINGS

(₹)

in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Non-Current</b>		
<b>A. Secured Loan</b>		
a) From Bank and Financial Institutions	1,932.67	973.30
b) From Hire Purchase Loans	39.67	32.57
<b>Total (A)</b>	<b>1,972.35</b>	<b>1,005.87</b>
<b>B. Unsecured Loan</b>		
a) From Directors and Shareholders	1,118.85	1,061.34
b) From Body Corporates	-	57.54
<b>Total (B)</b>	<b>1,118.85</b>	<b>1,118.88</b>
<b>Total (A +B)</b>	<b>3,091.20</b>	<b>2,124.75</b>

#### **Nature of Securities:**

- a) Term Loans from State Bank of India are secured by the first pari - passu charge by way of hypothecation of entire movable and immovable Property, Plants and Equipments presently held and held in near future by the Company situated at Survey No. 300, Nayakund, Parseoni Road, Distt. Nagpur - 441105 except on the Motor Vehicle on which the hypothecation has been charged by those financial institutions from which loans has been obtained.
- b) Term Loans from State Bank of India are secured by the first pari - passu charge by way of equitable mortgage of Plant and Machinerics situated at Parseoni, Nagpur presently held and held in near future by the Company. The Term loan are further secured by the first pari - passu charge by way of equitable mortgage of Land and Building bearing the Survey No. 284, 298, 299/1, 299/2, 300 and 315 situated at Nayakund, Parseoni Road, Distt. Nagpur - 441105 and Commercial Building bearing Shop No. 11, Surya Tower, Secunderabad - 500015 except on the Motor Vehicle on which the hypothecation has been charged by those financial institution from which loans has been obtained.
- c) Term Loans from State Bank of India are further secured by the first pari - passu charge by way of equitable mortgage of Commercial Plot bearing the Survey No. 371/A situated at Mehubnagar, Maganur Mandal, Distt. Mehubnagar - 500015, owned by the Managing Director, Shri Virender Kumar Agarwal. The Term Loans are further secured by the first pari - passu charge by way of equitable mortgage of Commercial Residential Building bearing the Flat No. 101 and 102 situated at Kanha Apartments, 128, Chhaoni, Katol Road, Distt. Nagpur - 440010, owned by the Joint Managing Director, Smt. Seema Agarwal.
- d) Term Loans from State Bank of India are further secured by way of pledge of 2,04,820 Equity Share of the Company held by the Managing Director, Shri Virender Kumar Agarwal.
- e) Hire Purchase Loans from Banks and Financial Institutions are secured by the hypothecation of the respective vehicles for which fund has been borrowed from bank and financial institutions.
- f) Term Loans from Directors and Body Corporates are unsecured and are repayable on demand basis.
- g) All the Loans are also further secured by the unconditional and irrevocable personal guarantee of



## Suryaamba Spinning Mills Limited

the three of Directors, Shri Virender Kumar Agarwal, Smt. Seema Agarwal and Shri Mayank Virender Agarwal.

### **Term of Repayments**

- Term Loan - 2 from State Bank of India has to be repaid on monthly installments commencing from January 2016, and has be repaid on or before December 2022, which carries the rate of interest 08.25% per annum.
- Term Loan - 3 from State Bank of India has to be repaid on monthly installments commencing from November 2016, and has be repaid before July 2023, which carries the rate of interest 08.25% per annum.
- Term Loan - 4 from State Bank of India has to be repaid on Monthly Installments commencing from June 2021, and has be repaid on or before December 2026, which carries the rate of interest 08.25% per annum.
- Term Loan - 5 from State Bank of India has to be repaid on Monthly Installments commencing from November 2023, and has be repaid before April 2028, which carries the rate of interest 08.25% per annum.
- GECL Term Loan from State Bank of India has to be repaid on Monthly Installments commencing from October 2021, and has be repaid before August 2024, which carries the rate of interest 07.40% per annum.
- Vehicle Loan from Banks and Financial Institution are repaid on Monthly Installment basis as per their respective repayment schedules, which carries the rate of interest 8.00% to 9.00%.

### **16. LONG -TERM FINANCIAL LIABILITIES**

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Others</b>		
Capital Creditors	204.25	15.84
Rental Deposits	4.59	4.59
<b>Total</b>	<b>208.84</b>	<b>20.43</b>

### **17. LONG -TERM PROVISIONS**

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Others</b>		
<b>Provisions for Employee Benefits</b>		
Provision for Gratuity	357.93	422.73
Provision for Leave Encashments	23.10	17.95
<b>Total</b>	<b>381.03</b>	<b>440.68</b>

### **18. INCOME TAX**

in Lakhs)

(₹

**A. The major components of income tax expenses during the year are as under**



Particulars	As at March 31, 2022	As at March 31, 2021
<b><u>Income Tax recognized in the Statement of Profit and Loss</u></b>		
<b><u>Current Tax</u></b>		
In respect of Current Year	406.54	88.03
Adjustment in respect of Previous Year	7.76	-
<b><u>Deferred Tax</u></b>		
In respect of Current Year	(15.89)	(14.34)
<b>Income Tax recognized in the Statement of Profit and Loss</b>	<b>398.41</b>	<b>73.68</b>
<b><u>Income Tax recognized in the Other Comprehensive Income</u></b>		
<b><u>Deferred Tax</u></b>		
On Account of Remeasurements of Defined Benefits Plan	5.54	2.56
<b>Income Tax Expenses recognized in the Other Comprehensive Income</b>	<b>5.54</b>	<b>2.56</b>

**B. Reconciliation of Tax Expenses and the Accounting Profit for the year is as under:**

Particulars	As at March 31, 2022	As at March 31, 2021
Net Profit / (Loss) Before Tax	1,843.91	498.65
Income Tax Rate	25.17%	27.82%
Income Tax Expenses Calculated as above	463.89	138.72
Tax effect on Non - Deductible expenses	(1.13)	(1.60)
Tax effect on carrying in carrying value and tax base of land	(11.95)	(74.57)
Impact on deferred tax due to change in tax rates	(52.01)	2.30
Others	(8.14)	8.84
<b>Total</b>	<b>(73.24)</b>	<b>(65.04)</b>
Adjustment in respect of current income tax of Previous Year	7.76	-
<b>Tax Expenses as per the Statement of Profit and Loss</b>	<b>398.41</b>	<b>73.68</b>

The tax rate used for the reconciliation above is Corporate Tax rate at the rate of 25.168% (Prev Year 27.82%) payable by the Corporate Entities on taxable profits under the Indian Tax Laws.

**A. The major components of deferred tax (liabilities)/ assets arising on account of timing difference are as follows:**

**As at March 31, 2022**

(₹ in Lakhs)



Suryaamba Spinning Mills Limited

Particulars	Balance Sheet	Profit and Loss	OCI	Balance Sheet
	01.04.2021	2021-22	2021-22	31.03.2022
Difference between written down value/capital work in progress of fixed assets as per the books of account and Income Tax Act, 1961.	623.21	(35.18)	-	588.03
Remeasurements of defined benefit plans	(142.82)	(20.99)	5.54	(116.27)
Difference in carrying value and tax base of Land	(74.57)	(11.95)	-	(86.53)
Provision for Unsecured Doubtful Debts and Advances	(1.60)	0.90	-	(0.69)
On account of MAT credit entitlements	(4.60)	4.60	-	-
Expenses allowed on payment basis	-	4.73	-	4.73
<b>Deferred Tax (Expenses) / Benefit</b>		<b>(15.89)</b>	<b>5.54</b>	
<b>Net Deferred Tax Liabilities/Assets</b>	<b>399.60</b>			<b>389.25</b>

B. The major components of deferred tax (liabilities)/ assets arising on account of timing difference are as follows:

As at March 31, 2021

(₹ in Lakhs)

Particulars	Balance Sheet	Profit and Loss	OCI	Balance Sheet
	01.04.2020	2020-21	2020-21	31.03.2021
Difference between written down value/capital work in progress of fixed assets as per the books of account and Income Tax Act, 1961.	583.44	39.76	-	623.21
Remeasurements of defined benefit plans	(135.20)	(10.18)	2.56	(142.82)
Difference in carrying value and tax base of Land	-	(74.57)	-	(74.57)
Provision for Unsecured Doubtful Debts and Advances	-	(1.60)	-	(1.60)
On account of MAT credit entitlements	(36.85)	32.24	-	(4.60)
<b>Deferred Tax (Expenses) / Benefit</b>		<b>(14.34)</b>	<b>2.56</b>	
<b>Net Deferred Tax Liabilities</b>	<b>411.39</b>			<b>399.60</b>

19. OTHER NON-CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Others</b>		
Advance against Property, Plants and Equipments	-	65.00
Deferred Revenue Income	37.77	42.02
<b>Total</b>	<b>37.77</b>	<b>107.02</b>



## Suryaamba Spinning Mills Limited

### 20. BORROWINGS

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Secured</b>		
<u>Loans Repayable on Demand</u>		
State Bank of India- Cash Credit	1,098.30	1,342.46
State Bank of India- Cash Credit (GECL)	-	144.30
<b>Total (A)</b>	<b>1,098.30</b>	<b>1,486.76</b>
<b>Unsecured</b>		
<u>Loans Repayable on Demand</u>		
State Bank of India - EPC	174.16	(0.01044)
<b>Total (B)</b>	<b>174.16</b>	<b>(0.01044)</b>
<b>Total (A+B)</b>	<b>1,272.46</b>	<b>1,486.75</b>

#### Nature of Securities

- a) Working Capital Loans from State Bank of India are secured by first pari - passu charges on the hypothecation of entire inventories, book debts, claims and other receivables related with the Company presently held and held in near future and also the first pari - passu charge on Corporate Office situated at "Kanha Apartment, Nagpur".
- b) Working Capital Loans from State Bank of India carries interest rate of 8.00%.
- c) Export Packing Credit from State Bank of India carries interest rate of 7.20%.
- d) All the working capital loan are secured by the unconditional and irrevocable personal guarantee of three of the Directors, Shri Virender Kumar Agarwal, Smt. Seema Agarwal and Shri Mayank Agarwal.

### 21. TRADE PAYABLES

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<u>Trade Payables (Including Acceptance)*</u>		
Due to Micro, Small and Medium Enterprises**	35.46	78.08
Due to Others	1,152.03	821.65
<b>Total</b>	<b>1,187.50</b>	<b>899.73</b>

\* Refer "Note No. 36B" for Credit Risk and Market Risk of Trade Payables.

# Acceptance include the arrangements where operational suppliers of goods and services are initially paid by the Banks and Financial Institutions while Company continues to recognise the liability till the settlement with the Banks and Financial Institutions which are normally effected within a period of 90 days amounting to ₹98,55,360 (Prev Year ₹ NIL).\*\* The Company has certain dues to the suppliers of Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act 2006"). The disclosure pursuant to the said MSMED Act, 2006 are as follows:

\*\* The Company has certain dues to the suppliers of Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act 2006"). The disclosure pursuant to the said MSMED Act, 2006 are as follows:

(₹ in Lakhs)





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Particulars	As at March 31, 2022	As at March 31, 2021
<b>Principal amount due to the suppliers registered under the MSMED Act, 2006 and remaining amount unpaid at the end of the year.</b>	35.46	78.08
Interest due to the suppliers registered under the MSMED Act, 2006 and remaining unpaid at the end of the year.	-	-
Principal amount paid to the suppliers registered under the MSMED Act, 2006 beyond the stipulated day during the year.	-	-
Interest paid under Section 16 of MSMED Act, 2006 to the suppliers registered under the Act, beyond the "Appointed Day" during the year.	-	-
Interest due or payable towards the suppliers registered under the MSMED Act, 2006 for the payments already made.	-	-
Further interest remaining due and payable for the earlier year.	-	-

Dues to Micro, Small and Medium Enterprises have been determined to the extent such parties have been identified on the basis of information collection by the Management. This has been relied upon by the Auditors.

**22. OTHER CURRENT FINANCIAL LIABILITIES**

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b><u>Current Maturities</u></b>		
From Banks and Financial Institutions	511.62	362.86
From Hire Purchase Loans	11.25	10.32
<b>Total of Current Maturities (A)</b>	<b>522.87</b>	<b>373.18</b>
<b><u>Investor Education and Protection Fund*</u></b>		
Unclaimed / Unpaid Dividend	5.33	11.03
<b>Total of Unpaid Dividend (B)</b>	<b>5.33</b>	<b>11.03</b>
<b><u>Others</u></b>		
Interest Accrued but not due	-	10.32
Liabilities for Expenses	113.98	193.87
Payables towards Employees	315.26	243.73
<b>Total of Others (C)</b>	<b>429.24</b>	<b>447.93</b>
<b>Total (A+B+C)</b>	<b>957.45</b>	<b>832.14</b>

\* As at March 31, 2022, there are no amount due and outstanding to be transferred to "Investor Education and Protection Fund" by the Company under section 125 of the Companies Act, 2013. Unclaimed Dividend, if any shall be transferred to Investor Education and Protection Fund as and when they become due.

**23. OTHER CURRENT LIABILITIES**

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
-------------	-------------------------	-------------------------



## Suryaamba Spinning Mills Limited

<b>Others</b>		
Advance Received from Customers	82.19	56.12
Payable towards Indirect Tax	3.64	-
Withholding Tax Payables	13.87	21.83
<b>Total</b>	<b>99.71</b>	<b>77.96</b>

### 24. SHORT TERM PROVISIONS

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Provision for Employee Benefits</b>		
Provision for Gratuity	-	16.64
Provision for Leave Encashments	0.41	0.55
Statutory Dues Payables	23.37	22.56
<b>Total</b>	<b>23.79</b>	<b>39.77</b>

### 25. CURRENT TAX LIABILITIES (NET)

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Provision for Income Tax (Net)</b>		
Provision for Income Tax	406.54	88.03
Less: Advance Income Tax	380.00	(75.00)
Less: Tax Deducted at Source Receivables	(11.54)	(1.90)
Less: Tax Collected at Source Receivables	(6.28)	(5.59)
<b>Total</b>	<b>8.71</b>	<b>5.53</b>

### 26. REVENUE FROM OPERATIONS

(₹

in Lakhs)

Particulars	2021-2022	2020-2021
a) <u>Sale of products</u>		
Domestic Market	14,893.40	9,604.21
Merchant Export	886.08	775.93
Export Market	6,669.99	2,119.95
<b>Total Sale of Products (A)</b>	<b>22,449.48</b>	<b>12,500.10</b>
b) <u>Sale of Services</u>		
Job Work Charges	-	3.91



## Suryaamba Spinning Mills Limited

<b>Total Sale of Services (B)</b>	-	<b>3.91</b>
<b>c) Other Operating Revenue</b>		
Duty Draw Back Entitlement	192.71	44.85
Waste Sales	23.39	19.41
<b>Total Other Operating Revenue (C)</b>	<b>216.10</b>	<b>64.27</b>
<b>Total Revenue From Operations (A+B+C)</b>	<b>22,665.59</b>	<b>12,568.29</b>

### 27. OTHER INCOME

(₹

in Lakhs)

Particulars	2021-2022	2020- 2021
<b><u>Interest Income</u></b>		
On Other Financial Assets carried at Amortized Cost	4.90	4.85
On Other Assets	6.72	11.97
<b>Total Interest Income (A)</b>	<b>11.63</b>	<b>16.83</b>
<b><u>Other Gains or (Losses)</u></b>		
Income from Rent	10.90	11.75
Insurance Claim	-	28.63
Sundry Balance Written off (Net)	1.70	0.38
Grant/Subsidy (Deferred)	4.25	4.25
<b>Total of Other Gain or Loss (B)</b>	<b>16.85</b>	<b>45.01</b>
<b><u>Other Non-Operating Income</u></b>		
Exchange Gain or Loss (Net)	90.01	4.63
Surplus on Disposal of Property, Plants and Equipments	-	15.85
Scraps Sales	3.21	2.77
<b>Total of Other Non-Operating Income (C)</b>	<b>93.23</b>	<b>23.25</b>
<b>Total (A+B+C)</b>	<b>121.72</b>	<b>85.10</b>

### 28. COST OF MATERIALS CONSUMED

(₹ in Lakhs)

Particulars	2021-2022	2020- 2021
<b><u>Consumption of Raw Materials</u></b>		
Stocks at the beginning of the reporting period	967.03	664.70
Add :- Purchases made during the year	11,110.28	6,375.05
Add :- Direct Expenses made during the year	30.34	49.08
Less :- Stocks at the end of the reporting period	792.62	967.03
<b>Total Consumption of Raw Material (A)</b>	<b>11,315.05</b>	<b>6,121.81</b>
<b><u>Consumption of Packing Materials</u></b>		
Stocks at the beginning of the reporting period	31.92	26.79



## Suryaamba Spinning Mills Limited

Add :- Purchases made during the year	471.53	302.59
Add :- Direct Expenses made during the year	-	-
Less :- Stocks at the end of the reporting period	58.95	31.92
<b>Total Consumption of Packing material (B)</b>	<b>444.50</b>	<b>297.46</b>
<b>Consumption of Materials (A+B)</b>	<b>11,759.55</b>	<b>6,419.28</b>

### 29. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROCESS

(₹ in

Lakhs)

Particulars	2021-2022	2020- 2021
Inventories at the beginning of the period:		
Finished Goods	459.41	409.76
Work-in-Progress	184.24	251.92
Waste Scrap	0.09654	0.24
<b>Total</b>	<b>643.75</b>	<b>661.93</b>
Inventories at the end of the period:		
Finished Goods	241.90	459.41
Work-in-Progress	237.25	184.24
Waste Scrap	0.14	0.09654
<b>Total</b>	<b>479.30</b>	<b>643.75</b>
<b>(INCREASE) / DECREASE IN INVENTORIES</b>	<b>164.45</b>	<b>18.18</b>

### 30. EMPLOYEE BENEFIT EXPENSES\*

(₹

in Lakhs)

Particulars	2021-2022	2020- 2021
<b>Employee Benefit Expenses</b>		
Salary, Wages, Incentives and Managerial Remuneration	2,106.71	1,541.85
<u>Contributions to:</u>		
Provident Fund	113.98	94.38
Other Funds	34.66	22.03
Bonus	75.39	51.07
Staff Welfare Expenses	63.75	57.22
<b>Total</b>	<b>2,394.51</b>	<b>1,766.56</b>

\* Refer "Note No. 37" for further references

### 31. FINANCE COSTS

(₹

in Lakhs)

Particulars	2021-2022	2020- 2021
<b>Interest Expenses (Net)</b>		
On Term Loans	146.40	130.29
On Hire Purchase Loans	3.51	4.59
On Working Capital Loans	98.73	106.35
On Unsecured Loans	134.74	142.05
On Others	23.63	26.11



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Other Borrowing Costs	66.38	28.74
<b>Total</b>	<b>473.42</b>	<b>438.16S</b>

### 32. DEPRECIATION AND AMORTISATION EXPENSES

(₹ in

Lakhs)

Particulars	2021-2022	2020- 2021
Depreciation Expenses	488.74	468.23
Amortization Expenses	0.51	0.00984
<b>Total</b>	<b>489.25</b>	<b>468.24</b>

### 33. OTHER EXPENSES

(₹ in Lakhs)

Particulars	2021-2022	2020- 2021
Consumption of Stores and Consumables	679.33	326.98
Administrative and Other Expenses	26.39	29.44
Brokerage & Commission	250.19	131.90
Clearing, Forwarding and Freight Charges	1,082.91	362.68
Conveyance and Travelling Expenses	47.78	14.70
Corporate Social Responsibility Expenses	4.51	5.77
Directors Sitting Fees	0.45	0.45
Insurance Expenses	25.80	27.16
Job Work Charges	-	2.85
Legal Fees	32.43	18.90
Loss on Disposal of Property, Plants and Equipments	6.62	-
Other Manufacturing Expenses	203.30	140.14
Payment to Auditor (Refer Note No. 33.1)	2.20	2.05
Power & Fuel	1,629.24	1,091.98
Rent, Rates and Taxes	87.81	64.74
Repairs and Maintenance Expenses	107.35	58.45
Research and Developments	20.46	13.68
Selling and Distribution Expenses	163.45	83.89
Security Charges	21.16	20.44
<b>Total</b>	<b>4,391.45</b>	<b>2,396.29</b>

#### 33.1. PAYMENTS TO AUDITORS

(₹

in Lakhs)

Particulars	2021-2022	2020- 2021
As Auditor's:		
Audit Fee	1.70	1.65
Tax Audit Fee	0.50	0.40
<b>Total</b>	<b>2.20</b>	<b>2.05</b>

### 34. CURRENT TAX

(₹ in Lakhs)



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Particulars	2021-2022	2020- 2021
<b>Reconciliation of Tax Expenses and Accounting Profit for the Period as under:</b>		
Profit / (Loss) for Before Income Tax	1,843.19	498.65
Income Tax Expenses on above	463.89	83.23
Tax Effect on Non - Deductible Items	168.92	34.74
Tax Effect on Deductible Items	(229.06)	-
Income Tax Related to Earlier Period	7.76	-
MAT Credit Entitlement/(Utilization)	-	(32.24)
Interest Provision On Tax	2.78	2.30
<b>Total</b>	<b>414.30</b>	<b>88.03</b>

**35. CATEGORY WISE CLASSIFICATION OFFINANCIAL INSTRUMENTS**

(₹ in Lakhs)

Particulars	Notes	2021-2022	2020- 2021
<b>I) Financial Assets:</b>			
<b>a. Non - Current</b>			
<u>Financial Assets measured at Fair Value through Profit and Loss (FVTPL)</u>			
Investment in Quoted Mutual Funds		-	-
Investment in Unquoted Mutual Funds		-	-
Forward Exchange Contracts (Net)		-	-
<b>Total (A)</b>		-	-
<u>B) Financial Assets measured at Fair Value through Other Comprehensive Income (FVTOCI)</u>			
Investment in Quoted Equity Shares		-	-
Investment in Quoted Debentures or Bonds		-	-
<b>Total (B)</b>		-	-
<u>C) Financial Assets measured at Amortized Cost</u>			
Security Deposits	5	0.30	-
<b>Total (C)</b>		-	-
<b>Total (A+B+C)</b>		<b>0.30</b>	-
<b>b. Current</b>			
<u>Financial Assets measured at Fair Value through Profit and Loss (FVTPL)</u>			
Investment in Quoted Mutual Funds		-	-
Investment in Unquoted Mutual Funds		-	-
Forward Exchange Contracts (Net)		-	-
<b>Total (A)</b>		-	-



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<b>B) Financial Assets measured at Fair Value through Other Comprehensive Income (FVTOCI)</b>			
Investment in Quoted Equity Shares		-	-
Investment in Quoted Debentures or Bonds		-	-
<b>Total (B)</b>		<b>-</b>	<b>-</b>
<b>C) Financial Assets measured at Amortized Cost</b>			
Investment in Unquoted Government Securities			
Trade Receivables	8	2,456.31	1,730.62
Cash and Bank Balances	9A	8.12	191.29
Other Balances with Banks	9B	75.20	93.85
Incentives Receivables	10	192.59	79.39
<b>Total (C)</b>		<b>2,732.24</b>	<b>2,095.15</b>
<b>Total (A+B+C)</b>		<b>2,732.24</b>	<b>2,095.15</b>
<b>II) Financial Liabilities:</b>			
<b>a. Non - Current</b>			
<b>Financial Liabilities measured at Amortized Cost</b>			
Borrowings from Banks	15	3,091.20	2,124.75
Capital Creditors	16	204.25	15.84
Rental Deposits	16	4.59	4.59
<b>Total</b>		<b>3,300.04</b>	<b>2,145.18</b>
<b>Financial Liabilities</b>			
<b>Current</b>			
<b>Financial Liabilities measured at Amortized Cost</b>			
Short Term Borrowings with Bank	20	1,272.46	1,486.75
Trade Payables	21	1,187.50	899.73
Current Maturities of Long Term Borrowings	22A	522.87	373.18
Unpaid / Unclaimed Dividend	22B	5.33	11.03
Interest Accrued but not yet due	22C	-	10.32
Liabilities for Expenses	22C	113.98	193.87
Payable towards Employees	22C	315.26	243.73
<b>Total</b>		<b>3,417.42</b>	<b>3,218.64</b>

**“Note No. - 36A” - Fair Value Measurements**

**(i) Financial Instruments measured at fair value through other comprehensive income**

The Company neither holds any quoted or unquoted equity shares nor holds quoted or unquoted debentures or bonds nor holds quoted or unquoted mutual funds, so the reporting under the “Ind AS - 109, Fair Value” is not applicable to the Company for all the Reporting Periods presented in the Ind AS financial statements.



The Company has not any financial liabilities which have to be measured at fair value through profit or loss so the reporting under the “Ind AS – 109, Fair Value” is not applicable to the Company in respect of all the reporting periods presented in Ind AS financial statements.

**(ii) Financial Instruments measured at fair value through profit or loss**

The Company neither holds any quoted or unquoted equity shares nor holds quoted or unquoted debentures or bonds nor holds quoted or unquoted mutual funds, so the reporting under the “Ind AS – 109, Fair Value” is not applicable to the Company for all the Reporting Periods presented in the Ind AS financial statements.

The Company has not any financial liabilities which have to be measured at fair value through profit or loss so the reporting under the “Ind AS – 109, Fair Value” is not applicable to the Company in respect of all the reporting periods presented in Ind AS financial statements.

**(iii) Financial Instruments measured at amortized cost**

The carrying amount of financial assets and financial liabilities measured at amortized cost in the presented Ind AS financial statements are a reasonable approximation of the fair value since the Company does not anticipate that the carrying amounts would be significantly different from the value that would eventually be received or settled.

**“Note No. - 36B” - Financial Risk Management - Objectives and Policies**

The Company’s financial liabilities mainly comprise the loans and borrowings in foreign as well as domestic currency, rental deposits, trade and other payables. The main purpose of these financial liabilities is to finance the Company’s operations. The Company’s financial assets comprise mainly of cash and cash equivalents, other balances with banks, trade and other misc. receivables that derive directly from its business operations.

The Company is exposed to the Market Risk, Credit Risk and Liquidity Risk from its financial instruments.

The Board of Directors (“the Board”) oversees the management of these financial risks through its Risk Management Committee. The Risk Management Policy of the Company formulated by the Risk Management Committee and approved by the Board, states that the Company’s approached to address uncertainties in its endeavor to achieve its stated and implicit objectives. It prescribes the roles and responsibilities and the Company’s managements, structure for managing the risk and the framework for Risk Management. The framework seeks to identify, assess and mitigate the financial risk in order to minimize the potential adverse effect on the Company’s financial performance.

The following disclosures summarize the Company’s exposure to the financial risks and the information regarding use of derivatives employed to manage the exposures to such risks. Quantitative Sensitivity Analysis has been provided to reflect the impact of reasonably possible changes in market rate on financial results, cash flows and financial positions of the Company.

**1) Market Risk**

Market Risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market Risk comprises three types of Risk: “Interest Rate Risk, Currency Risk and Other Price Risk”. Financial instrument affected by the Market Risk includes loans and borrowings in foreign as well as domestic currency, retention money related to capital expenditures, trade and other payables.

**a) Interest Rate Risk**





Interest Rate Risk is the risk that fair value or future cash outflows of a financial instrument will fluctuate because of changes in market interest rates. An upward movement in the interest rate would adversely affect the borrowing cost of the Company. The Company is exposed to long - term and short - term borrowings. The Company manages interest rate risk by monitoring its mix of fixed and floating rate instruments and taking actions as necessary to maintain an appropriate balance. The Company has not used any interest rate derivatives.

**i) Interest Rate Risk Exposure**

Particulars	31.03.2022	31.03.2021
Variable Rate Borrowing	12,72,46,756	14,86,75,514
Fixed Rate Borrowing	30,91,20,363	21,24,75,747

**ii) Sensitivity Analysis**

Profit and Loss estimates to higher / lower interest rate expense from borrowings as a result of changes in interest rate.

Particulars	31.03.2022	31.03.2021
Interest Rate - Increase by 70 Basis Points	(30,54,570)	(25,28,059)
Interest Rate - Decrease by 70 Basis Points	30,54,570	25,28,059

**b) Foreign Currency Risk**

Foreign Currency Risk is the risk that the fair value or future cash outflows of an exposure will fluctuate due to changes in foreign exchange rates. The Company operates globally, and the portion of the business is transacted in several currencies and consequently the Company is exposed to foreign exchange risk through its sales in overseas and purchases from overseas suppliers in various foreign currency. The foreign currency exchange rate exposure is partly balance by purchasing of the goods in the respective currencies.

The Company enters into forward exchange contracts with one - year maturity to hedge against its foreign currency exposures relating to recognized underlying the liabilities and firm commitments. The Company's policy is to hedge its exposures above pre - defined thresholds from recognized liabilities and firm commitments that fall due in the prescribed time limits. The Company does not enter into any derivative instruments for trading or speculative purpose.

The Carrying amount of Company's Foreign Currency denominated monetary items are as follows:



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Currency	Liabilities		Assets	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
USD (\$)	--	--	15,63,492.19	484,424.70
EURO	1,89,000.00	--	3,270.56	29,400.00
Others	--	--	--	--

The above table represents the total exposure of the Company towards its foreign exchange denominated liabilities (net). The details of the exposure hedged using forward exchanges contracts are given as a part of "Note No. 45A", if any and the details of unhedged exposures are given as part of "Note No. 45B", if any.

The Company is mainly exposed to changes in USD (\$). The below table demonstrate the sensitivity to a 5% increase or decrease in USD (\$) against INR, considering with all other variable constants. The sensitivity analysis is prepared on the net unhedged exposure of the Company at the reporting date. 5% represents management's assessment of reasonably change in foreign exchange rate.

Change in USD (\$) Rate	Effect on Profit after Tax (PAT)		Effect on Total Equity	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
-5%	(59,22,508)	(17,71,057)	(59,22,508)	(17,71,057)
+5%	59,22,508	17,71,057	59,22,508	17,71,057

Change in Euro Rate	Effect on Profit after Tax (PAT)		Effect on Total Equity	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
-5%	7,80,249	(1,25,979)	7,80,249	(1,25,979)
+5%	(7,80,249)	1,25,979	(7,80,249)	1,25,979

### c) Other Price Risk

Other Price Risk is the Risk that the fair value of a financial instrument will fluctuate due to changes in market traded price. Other Price Risk arises from financial assets such as investments in equity instruments and bonds. The Company is exposed to price risk arising mainly from investments in equity instruments recognized at FVTOCI. As at March 31, 2022, the carrying value of such equity instruments recognized at amounts FVTOCI amounts to ` NIL (March 31, 2021, ` NIL).

The Company is not exposed to price risk arising from investments in bonds recognized at FVTOCI, if any.

### 2) Credit Risk

Credit Risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial losses to the Company. Credit Risk arises primarily from financial assets such as trade receivables, cash and cash equivalents, other balances with banks and other financial assets.



The Company has adopted a policy of only dealing with counterparties that have sufficiently high credit rating. The Company’s exposure and credit ratings of its counterparties are continuously monitored and the aggregate value of transactions is reasonably spread amongst the counterparties.

Credit Risk arising from other balances with banks is limited and there is no collateral held against these because the counterparties are banks and recognized financial institutions with high credit rating assigned by the international credit rating agencies.

The average credit period on sale of products is less than 60 days. Credit Risk arising from trade receivable is managed in accordance with the Company’s established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on detailed study of credit worthiness and accordingly individual credit limits are defined / modified. The concentration on credit risk is limited due to the fact that the customer base is large. There is no customer representing more than 5% of total balance of trade receivables. For trade receivables, as a practical expedient, the Company computes credit loss allowance based on provision matrix. The provision matrix is prepared on historically observed default rate over the expected life of trade receivable and is adjusted for forward - looking estimate. The provision matrix at the end of reporting period as follows:

Net Outstanding > 365 Days	Percentage of Collection to Gross Outstanding in Current Year	Credit Loss Allowances
Yes	< 25%	Yes, to the extent of lifetime expected credit losses outstanding as at reporting date.
Yes	> 25%	Yes, to the extent of lifetime expected credit losses pertaining to balances outstanding for more than one year.

Movement in Expected Credit Loss Allowance on Trade Receivables	31.03.2022	31.03.2021
Balance at the beginning of the reporting period	5,76,051	--
Loss Allowance measured at lifetime expected credit losses	(2,99,025)	5,76,051
Balance at the end of reporting period	2,77,026	5,6,051

### 3) Liquidity Risk

Liquidity Risk is the risk that the Company will encounter difficulty in raising the funds to meet the commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Company has an established liquidity risk management framework for managing its short term, medium term and long - term funding and liquidity management requirements. The Company’s exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Company manages the liquidity risk by maintaining adequate funds in the cash and cash equivalents. The



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Company also has adequate credit facilities agreed with banks to ensure that there is sufficient cash to meet all its normal operating commitment in a timely and cost - effective manner.

The table below analysis derivate and non - derivate financial liabilities of the Company into the relevant maturity grouping based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows:

Particulars	(Amount in ₹)				
	Less than 1 Year	Between 1 to 5 Year	More than 5 Year	Total	Carrying Value
<b>As at March 31, 2022</b>					
<b>Borrowings</b>	12,72,46,756	30,91,20,363	--	<b>43,63,67,119</b>	<b>43,63,67,119</b>
<b>Other Financial Liabilities</b>	9,57,45,699	2,08,84,619	--	<b>11,66,30,318</b>	<b>11,66,30,318</b>
<b>Trade Payables</b>	11,87,50,191	--	--	<b>11,87,50,191</b>	<b>11,87,50,191</b>
<b>As at March 31, 2021</b>					
<b>Borrowings</b>	14,86,75,514	21,24,75,747	--	<b>36,11,51,261</b>	<b>36,11,51,261</b>
<b>Other Financial Liabilities</b>	8,32,14,967	20,43,030	--	<b>8,52,57,997</b>	<b>8,52,57,997</b>
<b>Trade Payables</b>	8,99,73,946	--	--	<b>8,99,73,946</b>	<b>8,99,73,946</b>

### “Notes - 36C” - Capital Management

The Company adheres to a robust Capital Management framework which is underpinned by the following guiding principles;

- a) Maintain the financial strength to ensure BBB stable ratings domestically and Investment grade ratings internationally.
- b) Ensure financial flexibility and diversify source of financing and their maturities to minimize liquidity risk while meeting investment requirements.
- c) Ensure sufficient liquidity is available (either through cash and cash equivalents, investments or committed credit facilities) to meet the need of business.



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- d) Minimize the finance costs while taking into considerations current and future industry, market and economic risks and conditions.
- e) Safeguard its ability to continue as going as a going concern.
- f) Leverage optimally in order to maximize shareholder returns while maintaining strength and flexibility of the Balance Sheet.

This framework is adjusted based on underlying macro - economic factors affecting business environment, financial market conditions and interest rates environment.

The Board of Director of the Company has primary responsibilities to maintain a strong capital base and reduce the cost of capital through prudent management of deployed fund and leveraging in domestic and international financial market so as to maintain investors, creditors and market confidence and to sustain future development of the business.

For the purpose of the Company's Capital Management, Capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Company. The primary objective of the Company when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholders value.

As at March 31, 2022, the Company has only one class of equity shares and has low debts. Consequent to such capital structure, there are no externally imposed capital requirements. In order to maintain or achieve an optimal capital structure, the Company allocates its capital for distribution as dividend or reinvestment into business based on its long - term financial plans.

The Company manages its capital on the basis of Net Debt to Equity Ratio which is Net Debt (Total Borrowings net of Cash and Cash Equivalents) divided by total equity.

Particulars	March 31, 2022	March 31, 2021
Total Liabilities	76,57,76,948	64,34,42,767
<u>Less:</u> Cash and Cash Equivalents	8,12,116	1,91,29,023
<b>Net Debt</b>	<b>76,49,64,832</b>	<b>62,43,13,744</b>
Total Equity	53,00,81,820	38,51,27,847
<b>Net Debt to Total Equity</b>	<b>1.44</b>	<b>1.62</b>

The Company has complied with the covenants as per the terms and conditions of the major borrowing facilities throughout the Reporting Period.



**37. EMPLOYEE BENEFITS**

**1. Post-Employment Benefits**

**(i) Defined Benefit Gratuity Plans**

The Company has defined benefit gratuity plan for its employees, which requires contribution to be made to a separately administered fund. It is governed by the Payment of Gratuity Act, 1972. Under the Act, employee who has completed five year of services is only entitled to the specific benefits. The level of benefits provided depend on the member's length of service and salary at their retirement age.

**(ii) Defined Benefit Pension Plan (Unfunded)**

The Company operates a defined benefit pension plan for certain specified employees and is payable upon the employee satisfying the certain conditions, as approved by their Management.

**(iii) Defined Benefit Post-Retirement Medical Benefit Plans (Unfunded)**

The Company operates a defined benefits post-retirement medical benefit plan for certain specified employees and is payable upon the employee satisfying the certain conditions, as approved by their Management.

The most recent actuarial valuation of the plan assets and the present value of defined benefit obligation were carried out as at March 31, 2022 by KP Actuaries and Consultants, Fellow of Institute of Actuaries of India. The present value of defined benefit obligation and the related current service cost were measured by using the Project Unit Credit Method.

The following tables summarise the components of defined benefit expenses recognized in the Statement of Profit and Loss / Other Comprehensive Income and amount recognized in the Balance Sheet for the respective plans:

**i) Statement showing Assets and Liability (Balance Sheet Position)**

	31.03.2022	31.03.2021
	₹	₹
Present Value of Obligation at the beginning of the period	45,958,639	43,938,106
Fair Value of Plan Assets	10,165,121	1,664,724
<b>Surplus / (Deficit)</b>	<b>(35,793,518)</b>	<b>(42,273,382)</b>
Effect of Assets Ceiling, if any	-	-
<b>Net Assets / (Liability)</b>	<b>(35,793,518)</b>	<b>(42,273,382)</b>

**ii) Statement showing Expenses Recognised during the period**

	31.03.2022	31.03.2021
	₹	₹



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In Income Statement	5,824,583	5,786,775
In Other Comprehensive Income	(2,202,586)	(920,992)
<b>Total Expenses Recognized during the period</b>	<b>3,621,997</b>	<b>4,865,783</b>

**iii) Statement showing the Present Value of the Obligations**

	31.03.2022	31.03.2021
	₹	₹
<b>Present Value of Obligation at the beginning of the period</b>	<b>43,938,106</b>	<b>41,950,282</b>
Interest Expenses or Costs	2,990,068	2,884,137
Current Service Costs	2,947,802	2,925,096
<u>Remeasurements (or Actuarial) (Gain) / Loss arising from:</u>		
- Change in Demographic Assumption	-	-
- Change in Financial Assumption	(2,014,792)	(2,283,152)
- Experience Variance (i.e. Actual experience v/s assumptions)	(187,794)	1,362,160
Past Service Costs	-	-
Benefit Paid (If any)	(1,714,751)	(2,900,417)
Actuarial Gain / (Loss)	-	-
<b>Present Value of Obligation at the end of the period</b>	<b>45,958,639</b>	<b>43,938,106</b>

**iv) Bifurcation of Total Actuarial Gain / (Loss) on Liabilities**

	31.03.2022	31.03.2021
	₹	₹
Current Liabilities (Short - Term)	-	-
Non - Current Liabilities (Long - Term)	35,793,518	42,273,382
<b>Amount recognized in Other Comprehensive Income</b>	<b>35,793,518</b>	<b>42,273,382</b>

**v) Changes in the Fair value of Plan Assets**

	31.03.2022	31.03.2021
	₹	₹



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<b>Fair Value of Plan Assets as at the beginning of the period</b>	<b>1,664,724</b>	<b>326,658</b>
Investment Income	113,287	22,458
Employer's Contribution	10,050,000	2,225,000
Employee's Contribution	-	-
Benefits Paid	(1,662,890)	(909,392)
Return on plan assets, excluding amount recognised in net interest expense	-	-
<b>Fair Value of Plan Assets as at the end of the period</b>	<b>10,165,121</b>	<b>1,664,724</b>

**vi) Expenses recognized in the Statement of Profit and Loss**

	<b>31.03.2022</b>	<b>31.03.2021</b>
	₹	₹
Current Service Cost	2,947,802	2,925,096
Past Service Cost	-	-
Loss / (Gain) on Settlement	-	-
Net Interest Cost/(Income) on the Net Defined Benefit Liability /(Assets)	2,876,781	2,861,679
<b>Expenses to be recognized in the Statement of Profit and Loss</b>	<b>5,824,583</b>	<b>5,786,775</b>

**vii) Other Comprehensive (Income) / Expenses {Remeasurements}**

	<b>31.03.2022</b>	<b>31.03.2021</b>
	₹	₹
<b>Actuarial (Gain) / Loss arising from:</b>		
- Change in Demographic Assumption	-	-
- Change in Financial Assumption	(2,014,792)	(2,283,152)
- Experience Variance (i.e. Actual experience v/s assumptions)	(187,794)	1,362,160
Return on plan assets, excluding amount recognised in net interest expense	-	-
Re- measurement (or Actuarial) (gain)/ loss arising because of change in effect of asset ceiling	-	-





## Suryaamba Spinning Mills Limited

Components of defined bebenefit costs recognised in Other Comprehensive Income	(2,202,586)	(920,992)
--	-------------	-----------

### viii) Actuarial Assumption

	31.03.2022	31.03.2021
	₹	₹
Discount Rate (Per Annum)	7.20%	6.81%
Salary Growth Rate (Per Annum)	5.50%	5.50%
Mortality	100% of IALM 2012 - 14	100% of IALM 2012 - 14
Normal retirement age	60 Years	60 Years
Attrition / Withdrawal Rate (Per Annum)	1.00%	1.00%

The estimate of rate of escalation in Salary considered in Actuarial Valuation, taken into the account inflation, seniority, promotions and other relevant factors including supply and demand in the employment market. The above information is certified by the Actuary.

### ix) Summary of Membership Status

	31.03.2022	31.03.2021
	₹	₹
Number of Employee	479	480
Total Monthly Salary	6,536,952	6,264,341
Average Past Service (Years)	14.38	14.18
Average Age (Years)	43.43	42.56
Average remaining working life (years)	16.57	17.44
Number of completed years valued	6,890	6,807
Decrement adjusted remaining working life (years)	14.14	14.88

### x) Sensitivity Analysis

Significant Actuarial Assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase rate. Effect of change in mortality rate is negligible.



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Please note that the sensitivity analysis presented below may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as some of the assumptions may be correlated. The results of sensitivity analysis are given below:

Defined Benefit Obligation (Base)	31.03.2022	
	₹	
	45,958,639	
	Decrease	Increase
Discount Rate (- / + 1%)	51,375,015	41,280,933
(% change compared to the base due to sensitivity)	11.80%	-10.20%
Salary Growth Rate (- / + 1%)	41,356,099	51,163,696
(% change compared to the base due to sensitivity)	-10.00%	11.30%
Attrition Rate (- / + 50% oh attrision rates)	45,597,157	46,300,911
(% change compared to the base due to sensitivity)	-0.80%	0.70%
Mortality Rate (- / + 10% oh morality rates)	45,928,408	45,988,738
(% change compared to the base due to sensitivity)	-0.10%	0.10%

## 2. Other Long Term Employee Benefits

### (e) Annual Leave and Sick Leave Assumptions

The liability towards compensated absences (annual leave and sick leave) for the year ended on March 31, 2022 based on Actuarial Valuation carried out by using the Project Unit Credit Method is ₹ 20.24 Lakhs (Prev Year ₹ 18.01 Lakhs).

### **38. NOTE NO. - 38: INFORMATION ON RELATED PARTY TRANSACTION AS REQUIRED BY IND AS 24 - "RELATED PARTY DISCLOSURE" FOR THE YEAR THEN ENDED MARCH 31, 2022.**

Disclosure of transactions with Related Parties, as required by "Ind AS - 24, Related Party Disclosure" has been set out below. Related parties as defined under clause 9 of the Ind AS 24, have been identified on the basis of representations made by the Company's Management and information available with the Company. The Company's material related party transactions and outstanding balances with whom the Company had entered into the transactions in the ordinary course of Business are as follows:

Related Parties are as follows:



**1. Related Parties where significant influences exists**

- a) Suryalata Spinning Mills Limited
- b) Suryalakshmi Cotton Mills Limited
- c) Agatha Developers Private limited
- d) Suryaamba Foundation

**2. Key Managerial Person Name and their Designation**

S. No.	Name of the Persons	Designation
a)	Shri Virender Kumar Agarwal	Chairman and Managing Director
b)	Smt. Seema Agarwal	Joint Managing Director
c)	Shri Mayank Agarwal	Executive Director
d)	Shri Sushil Kapadia	Independent Director
e)	Shri Amit Goela	Independent Director
f)	Shri Nilesh Panpaliya	Independent Director
g)	Shri Gajanan Chhawsaria	Chief Financial Officer
h)	Smt. Kriti Ladha	Company Secretary
i)	Ms. Deepa Dudani	Company Secretary

**3. Relatives of Key Managerial Person**

S. No.	Name of the Persons	Designation
a)	Shri Pujit Agarwal	Son of Managing Director
b)	Smt. Cadambari Agarwal	Wife of Whole time Director

**Terms and Conditions with the transactions with Related Parties as under:**

a) The Sales to and Purchases from the Related Parties are made on the terms equivalent to those that prevails in the arm's length transactions.

b) Outstanding Balances of the Related Parties at the end of the Reporting Period are Unsecured, Interest Free and will be settled in the Cash.

**Transaction with Related Parties is as under:**

**(Amount in ₹Lakhs)**



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S. No.	Particulars	Related Parties Where Significant Influence Exists	Key Managerial Persons	Relatives of Key Managerial Persons
<b>1.</b>	<b>Purchases of Goods</b>			
	Suryalata Spinning Mills Limited	NIL (P. Y. ₹ 21.02)	--	--
<b>2.</b>	<b>Sale of Goods</b>			
	Suryalaxmi Cotton Mills Limited	₹ 28.19 (P. Y. NIL)	--	--
<b>3.</b>	<b>Payment of Interest</b>			
	Shri Virender Kumar Agarwal	--	₹ 11.11 (P. Y. ₹ 16.07)	--
	Smt. Seema Agarwal	--	₹ 90.56 (P. Y. ₹ 88.25)	--
	Shri Mayank Agarwal	--	₹ 26.21 (P. Y. ₹ 27.90)	--
<b>4.</b>	<b>Payment of Rent</b>			
	Smt. Seema Agarwal	--	₹ 46.02 (P. Y. ₹ 49.53)	--
<b>5.</b>	<b>Remuneration</b>			
	Shri Virender Kumar Agarwal	--	₹ 30.01 (P. Y. ₹ 29.84)	--
	Smt. Seema Agarwal	--	₹ 24.28 (P. Y. ₹ 24.06)	--
	Shri Mayank Agarwal	--	₹ 19.22	--



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			(P. Y. ₹19.05)	
<b>6.</b>	<b>Payment of Staff Salary</b>			
	Shri Pujit Agarwal	--	--	₹ 42.10 (P. Y. ₹ 31.11)
	Smt. Cadambari Agarwal	--	--	₹ 37.13 (P. Y. ₹ 25.08)
	Shri Gajanan Chhawsaria	--	₹17.47 (P. Y. ₹ 15.76)	--
	Ms. Deepa Dudani	--	NIL (P. Y. ₹ 2.65)	--
	Smt. Kriti Ladha	--	₹ 03.16 (P. Y. ₹ 00.47)	--
<b>7.</b>	<b>Director Sitting Fees</b>			
	Shri Amit Goela	--	₹ 00.15 (P. Y. ₹ 00.15)	--
	Shri Nilesh Panpaliya	--	₹ 00.15 (P. Y. ₹ 00.15)	--
	Shri Sushil Kapadia	--	₹ 00.15 (P. Y. ₹ 00.15)	--
<b>8.</b>	<b>Corporate Social Responsibility</b>			
	Suryaamba Foundation	₹ 3,76,000 (P. Y. NIL)		
<b>9.</b>	<b>Receipt of Unsecured Loans</b>			
	Shri Virender Kumar Agarwal	--	₹ 3.84	--



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			(P. Y. ` 01.90)	
	Smt. Seema Agarwal	--	₹ 127.03 (P. Y. ₹ 52.05)	--
	Shri Mayank Agarwal	--	₹ 28.95 (P. Y. ₹ 23.00)	--
<b>10.</b>	<b>Repayment of Unsecured Loans</b>			
	Shri Virender Kumar Agarwal	--	₹ 44.43 (P. Y. ` 28.64)	--
	Smt. Seema Agarwal	--	₹ 49.59 (P. Y. ₹ 80.00)	--
	Shri Mayank Agarwal	--	₹ 08.30 (P. Y ₹ 25.00)	--
<b>11.</b>	<b>Repayment of Advance against Property</b>			
	Agatha Developers Private Limited	₹ 65.00 (P. Y. NIL)		

**Balances Payable to Related Parties as on March 31, 2022**

**(Amount in `Lakhs)**

S. No.	Particulars	Related Parties Where Significant Influence Exists	Key Managerial Persons	Relatives of Key Managerial Persons
<b>1.</b>	<b>Unsecured Loans</b>			--
	Shri Virender Kumar Agarwal	--	₹ 77.68 (P. Y. ₹ 118.26)	--
	Smt. Seema Agarwal	--	₹ 795.91 (P. Y. ₹ 718.47)	--



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	Shri Mayank Agarwal	--	₹ 245.26 (P. Y. ₹ 224.60)	--
<b>2.</b>	<b>Advance Against Property</b>			
	Agatha Developers Private Limited	--	--	NIL (P. Y. ₹ 65.00)

### 39. CONTINGENT LIABILITIES

(₹ in Lakhs)

(₹

Particulars	As at March 31, 2022	As at March 31, 2021
a) Bank Guarantees given by the Company's Banker's towards the MPCB	150.15	160.15
b) Bill discounted by the Company's Banker's under the Letter of Credit	54.58	-
c) Income Tax Demand Appeal Pending with the CIT(A)	-	-
d) Inland Letter of Credit or Buyer's Credit against Raw Materials Purchases or Trading Goods Purchases	98.55	-
e) Letter of Credit to be executed on Capital Assets	159.17	189.25
<b>Total</b>	<b>462.46</b>	<b>349.40</b>

### 40. CAPITAL AND OTHER COMMITMENTS

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b><u>Capital Commitments</u></b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for:		
Towards Property, Plant and Equipment	309.13	359.75
Towards Intangible Assets	-	-
<b>Total Capital Commitments (A)</b>	<b>309.13</b>	<b>359.75</b>
<b><u>Other Commitments</u></b>		
Bill Discounted and Letter of Credit issued by the Company's Bankers	98.55	-
For derivative contract related commitment	-	728.96
<b>Total Other Commitments (B)</b>	<b>98.55</b>	<b>728.96</b>



<b>Total (A+B)</b>	<b>407.68</b>	<b>1,088.71</b>
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a) Estimated amount of Contracts remaining to be executed on Capital Account, net of advances given and not provided for as at March 31, 2021 is ₹309.13 Lakhs (Prev Year ₹ 359.75 Lakhs).

#### 41. CORPORATE SOCIAL RESPONSIBILITIES

As per the Section 135 of the Companies Act, 2013, A Company, meeting its applicability threshold, need to spend at least 2% of its Average Net Profit for the immediately preceding three financial year on Corporate Social Responsibilities (CSR) Activities. The area of CSR Activity are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief and rural development projects. A CSR Committee has been formed as per the requirements of the Companies Act, 2013. The Fund has been administered by the Committee once it is allocated to the Corpus for the purpose of CSR Activities prescribed under Schedule VII of the Companies Act, 2013.

a) Corporate Social Responsibility required to be spent as per section 135 of the Companies Act, 2013 read with Schedule VII thereof the Company during the reporting period March 31, 2022 is ₹ 4.51 Lakhs (Prev Year ₹ 10.27 Lakhs).

b) Expenditure related to Corporate Social Responsibilities is ₹4.51 Lakhs (Prev Year ₹5.77 Lakhs) out of those, commitments made previous financial year, spent during the current financial year.

(₹ in Lakhs)

<b>Particulars</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
<b><u>Corporate Social Responsibilities</u></b>		
Rural Transformation	-	-
Health	3.76	0.56
Education	-	-
Sports for Developments	-	-
Environments	-	-
Religious	0.75	5.21
<b>Total</b>	<b>4.51</b>	<b>5.77</b>

c) Out of the total spending during the current financial period ₹ 3.76 Lakhs (Prev Year ₹ NIL Lakhs) made to the Related Party.

d) The Company has made the commitment for spending the ₹ NIL Lakhs (Prev Year ₹ 4.51 Lakhs) towards Corporate Social Responsibilities to make the aggregate spending equivalents to at least two percent (2%) of the average net profit of the Company made during the three immediately preceding financial year. During the immediate preceding financial year, the Net Profit of the Company was below the threshold limit as specified under 135 of the Companies Act, 2013, hence Corporate Social Responsibility is not applicable for the current financial period, thus the commitment for the current financial period, was computed at ₹ NIL.

#### 42. SEGMENT REPORTING





## Suryaamba Spinning Mills Limited

During the Reporting Period, the Company has been operates only under one segment i.e. Manufacturing of Yarn. Hence, Ind AS - 108, "Operating Segment" is not applicable to the Company.

### 43. CONSOLIDATED FINANCIAL STATEMENTS

During the Reporting Period, the Company has neither any Subsidiary nor Associates and Joint Venture, hence the reporting under the Ind AS - 110, "Consolidated Financial Statements" is not applicable.

### 44. DIVIDEND

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>On Equity Shares</b>		
Final Dividend paid on Equity Shares	11.72	17.66
Income Tax on Final Dividend	-	3.61
<b>Total</b>	<b>11.72</b>	<b>21.28</b>

#### Proposed Dividend

The Board of Director's at their meeting held on May 16, 2022 have recommended a payment of Final Dividend of ₹1.00 per Equity Share of the Face Value of ₹ 10 per Equity Share for the financial year ended March 31, 2022. The Company has proposed ₹ 29.32 Lakhs as a Final Dividend subject to the approval of Shareholder at the ensuing Annual General Meeting of the Company and hence it is not recognized as a "Liabilities" in the Ind AS Financial Statements.

### 45. DETAILS OF HEDGED AND UNHEDGED EXPOSURES IN FOREIGN CURRENCY DENOMINATED MONETARY ITEMS

#### A. Exposure in foreign currency - Hedged

The Company enters into any forward exchange contracts to hedge its foreign currency exposures relating to the underlying transactions and firm commitments. The Company also does not enter into any kind of derivative instruments for trading and speculation purposes during the reporting period.

The forward exchange contracts used for hedging foreign currency exposures and outstanding as at the end of the Reporting Period are as follows:

Currency	As at March 31, 2022 \$	As at March 31, 2021 ₹
3 Forward Contract to buy USD (\$) as at March 31, 2022	-	-
3 Forward Contract to buy USD (\$) as at March 31, 2021	9,50,000	7,28,96,245

#### B. Exposure in foreign currency – Unhedged



## Suryaamba Spinning Mills Limited

The Foreign Currency Exposures not hedged as at March 31, 2022 are as under:

### (i) Payable during the Reporting Period

Currency	Payable (In Foreign Currency)	
	2021-2022	2020 - 2021
<b><u>Foreign Currency - Unhedged</u></b>		
USD (\$)	-	-
EURO	1,89,000	-
Other Foreign Currency	-	-

Currency	Payable (In Indian Currency)	
	2021-2022	2020 - 2021
<b><u>Foreign Currency – Unhedged (Amount in ₹)</u></b>		
USD (\$)	-	-
EURO	1,58,79,780	-
Other Foreign Currency	-	-

### (ii) Receivable during the Reporting Period

Currency	Receivable (In Foreign Currency)	
	2021-2022	2020 - 2021
<b><u>Foreign Currency - Unhedged</u></b>		
USD (\$)	15,63,492.19	4,84,424.70
EURO	3,270.56	-
Other Foreign Currency	-	-

Currency	Receivable (In Foreign Currency)	
	2021-2022	2020 - 2021
<b><u>Foreign Currency – Unhedged (Amount in ₹)</u></b>		
USD (\$)	11,84,50,168	3,54,21,134
EURO	2,74,792	25,19,580
Other Foreign Currency	-	-

## 46. EARNINGS PER SHARE

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Net Profit / (Loss) after tax as per the Statement of Profit or Loss attributable to the holder of Equity Shares	1,444.78	424.96



## Suryaamba Spinning Mills Limited

Nominal Value of Equity Shares (₹)	10	10
Weighted average number of Equity Shares used as denominator for calculating the earnings per share	29.31	29.31
Basic and Diluted Earnings Per Share	<b>49.28</b>	<b>14.49</b>

**47.** The Financial Statements are approved for issue by the Audit Committee at its meeting held on May 16, 2022 and by the Board of Directors on their meeting held on May 16, 2022.

**48.** Previous years audited figures has been regrouped / recasted / rearranged wherever necessary to make them comparable for the purpose of preparation and presentation of Financial Statements.

### SIGNATURE TO THE NOTE "1" TO NOTE "48"

See accompanying notes are forming integral part of the financial statements.

As per our attached report of even date

For **MANISH N. JAIN & CO.**

Chartered Accountants

FRN No.: 138430W

**ARPIT AGRAWAL**

Partner

Membership No. 175398

UDIN: 21175398AJDWXH7920

For and on behalf of the Board of Directors

**VIRENDER KUMAR AGARWAL**

Managing Director

DIN:00013314

**GAJANAN N. CHHAWARIA**

Chief Financial Officer

Place: Nagpur

Date: May 16, 2022

**SEEMA AGARWAL**

Jt. Managing Director

DIN: 01430206

**KRITI LADHA**

Company Secretary

M. No. A61729

Place: Nagpur

Date: May 16, 2022



## Suryaamba Spinning Mills Limited





## Suryaamba Spinning Mills Limited

### SURYAAMBA SPINNING MILLS LIMITED

(CIN: L18100TG2007PLC053831)

1<sup>st</sup> Floor, Suryatowers, 105,S P Road,  
SecunderabadTG- 500 003

May 16, 2022

Dear Member,

#### Sub: Green Initiative in Corporate Governance

As a responsible Corporate Citizen, your Company welcomes and supports the 'Green Initiative' taken by the Ministry of Corporate Affairs, Government of India (MCA).

The Green Initiative endeavors to reduce consumption of paper, in turn preventing deforestation and contributes towards a green and clean environment - a cause that we at Suryaamba Spinning Mills Limited are committed to. This initiative is also aligned to our Mission Statement of demanding that everything we do leads to a clear, healthier, safer environment. In furtherance of these initiatives, the Company invites its Members to participate in the Green Initiatives to affirm its commitment towards future generations.

Keeping in view the above, your Company proposes to send documents like Notice convening Annual General Meeting, Audited Financial Statements, Directors' Report, and Auditors' Report, etc. in electronic form. For supporting this initiative:-

- 1) **If you hold shares in electronic form**, kindly intimates your email ID to your Depository Participant (DP). The same will be deemed to be your registered email address for serving notices/documents.
- 2) **If you hold shares in physical form**, kindly intimate your email ID to the Company's Registrar & Transfer Agent (RTA) at the following address:

**KFin Technologies Limited**  
Karvy Selenium Tower B, Plot  
No 31 & 32 Financial District,  
Nanakramguda, Serilingampally, Mandal,  
Hyderabad 500 032.

We strongly urge you to support this 'Green Initiative' and opt for electronic mode of communication by advising your email ID to your DP/ KFin Technologies Limited

We solicit your support to join in this initiative in reducing the impact on the environment and receive all communications electronically.

Thanking You,

Yours truly,  
For Suryaamba Spinning Mills Limited

**Kriti Ladha**  
Company Secretary & Compliance Officer  
M. No.: ACS 61729

**Notes**



## Suryaamba Spinning Mills Limited

A large rectangular area consisting of numerous horizontal dashed lines, intended for drawing or writing.

**Factory Site**



## Suryaamba Spinning Mills Limited



Registered Office  
1<sup>st</sup> Floor, Surya Towers,  
105, Sardar Patel Road,  
Secunderabad – 500 003  
Tel. No.: 040-27813360

Corporate Office  
A-101, Kanha Apartment  
128, Chhaoni Katol Road,  
Nagpur – 400 013  
Tel No.: 0712-2591072, 2591406  
Email: [mail@suryaamba.com](mailto:mail@suryaamba.com), [cssuryaamba@gmail.com](mailto:cssuryaamba@gmail.com)