



SURYAAMBA SPINNING MILLS LIMITED

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

July 20, 2020

Corporate Relationship Department

BSE Limited
Floor 25, P J Towers,
Dalal Street, Mumbai-400 001,
Maharashtra, India.

Scrip Code: 533101

Sub: Notice of 13th Annual General meeting ('AGM') and Annual Report of the Company for the Financial Year 2019-20.

Dear Sir / Madam,

Pursuant to Regulation 34 and 30 read with Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing the Annual Report for the financial year 2019-20 along with Notice of the 13th AGM of the Company scheduled to be held on Thursday August 13, 2020 at 12:30 p.m. through Video Conference ("VC") or Other Audio Visual Means ("OAVM"), in accordance with the General Circular issued by Ministry of Corporate Affairs dated May 5, 2020 read with General Circulars dated April 8, 2020 and April 13, 2020 and SEBI Circular dated May 12, 2020, which is also being sent through electronic mode to those Members whose e-mail 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.

This is for your information and records.

Thanking You,

Sincerely,

For SURYAAMBA SPINNING MILLS LIMITED


VIRENDER KUMAR AGARWAL
MANAGING DIRECTOR
DIN: 00013314





SURYAAMBA SPINNING MILLS LIMITED



13th

**ANNUAL
REPORT 19-20**





SURYAAMBA SPINNING MILLS LIMITED

Spinning with Precision

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Reporting Principles

The Report is prepared in line with the Companies Act, 2013 (and the Rules made thereunder), Indian Accounting Standards, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Secretarial Standards.

Forward-Looking Statements

This Report may contain certain forward-looking statements relating to the future business, development and economic performance. Such Statements may be subject to a number of risks, uncertainties and other important factors which could cause actual developments and results to differ materially from the statements made in this Report. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those which expressed.





POWERFUL INSIGHTS, PROVEN SATISFACTION

Suryaamba Spinning Mills Limited (Suryaamba), is a leading manufacturer of speciality synthetic spun yarns, offering wide product range from 100% polyester and viscose spun yarns as well as blended synthetic yarns, used for weaving. We have capitalized on growing opportunities strengthening our market presence at domestic and in over 20 countries across the globe. We continuously strides and offers innovative product range, specifically tailor-made for the customers. We believe the right strategic insights complemented with technical advancement and superior quality is the foundation of our products. Suryaamba offers state-of-the-art manufacturing facility having modern & sophisticated technology and infrastructure, driven by best industry practices to provide the highest quality of products for maximum customer satisfaction. We with strong leadership personnel's have been consistently powering our business and desires to make an impactful difference to each of our stakeholders. Our sincere endeavours to maintain strong values amongst employees and successfully continue to foster our core values at work commitment.

OUR VISION



- ✦ Our rooted values enable us to envision to grow better.
- ✦ Remain at the forefront in high-quality textile products manufacturing.
- ✦ Create value for shareholders and allied industries.
- ✦ Remain efficient & positive in developing new markets and products.
- ✦ Endeavour for the ultimate customer satisfaction.
- ✦ Satisfy requirement with right use of technology and right Attitude.

OUR MISSION



- ✦ Provide superior quality products at competitive prices and establish a brand value in the international area.
- ✦ Exceed industry standards with exceptional customer and technical service.
- ✦ Maintain our competitive strategic position through leading edge technology.
- ✦ To be the most reliable supplier across textile value chain.
- ✦ Provide a safe, fulfilling and rewarding work environment for employees.



OUR CONTRIBUTION TO A GREENER TOMORROW

"He who plants a tree, plants a hope." - Lucy Larcom

Suryaamba abides by and believes in pursuing 'Green' and pledge to contribute towards a greener tomorrow. During the year, the company took this initiative for encouraging a greener environment by planting 500 numbers of tree saplings on the land of Nayakund village of Nagpur District and 300 numbers of tree saplings in our factory premises.



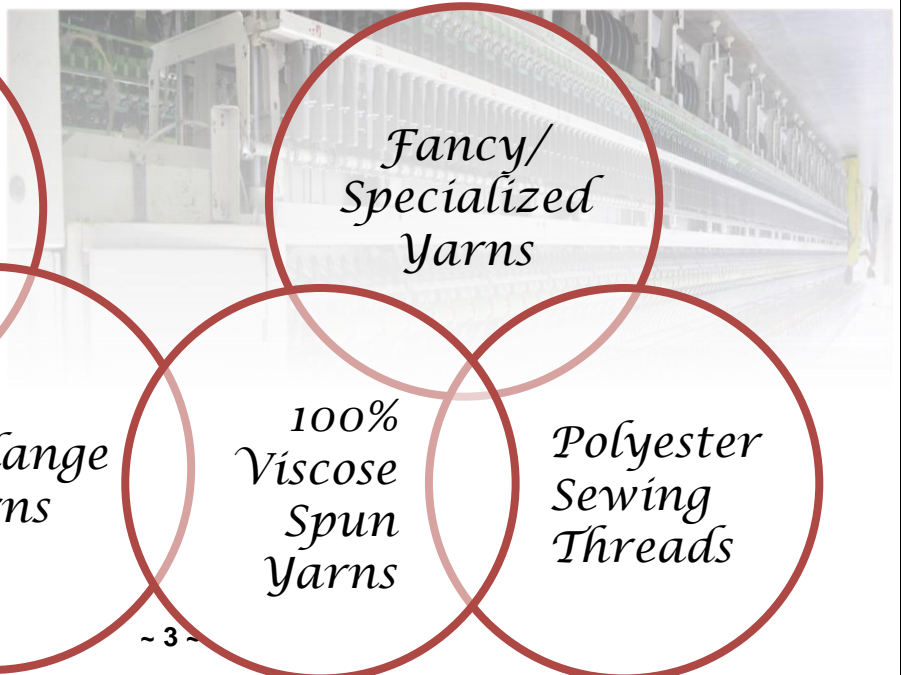


OUR PRODUCTS

Yarn

SPINNING QUALITY, INSPIRING CREATIVITY

The Company offers an extensive range of Synthetic Yarns, used for knitting, weaving and technical applications in single & multi fold varieties. Also produces specialized yarns as per market requirements. ISO 9001:2015 Certified Product.



100% Polyester Spun Yarns

Fancy/ Specialized Yarns

Polyester/ Viscose Blended Yarns

Melange Yarns

100% Viscose Spun Yarns

Polyester Sewing Threads

CHAIRMAN'S MESSAGE



Dear Shareholders,

Suryaamba is happy to present to you its 13th Annual Report pertaining to financial year 2019-20. On behalf of the Board of Directors and the Company, it is my pleasure to extend a warm welcome to you all to the 13th Annual General Meeting of the Company. The Company focused to play on its strengths and posted a stable financial performance. We take this opportunity to acknowledge the support, expertise and faith in us, demonstrated by you all.

While this was a year of extreme economic challenges for the world, never had we imagined an environment aggravated beyond measures by Covid-19 pandemic. According to the World Bank, the global economy decelerated to an estimated 2.4 percent in 2019, the slowest pace since the global financial crisis. The macro-economic factors that caused a slowdown in FY 2019-20 will continue in FY 2020-21, with the first half of calendar year 2020 completely dominated by the pandemic and the consequent lockdowns. The COVID-19 pandemic has created an extreme pressure on global economies and has severely hit many industries, the Indian Textile Industry not being immune to this slowdown and challenges.

Going forward, the Covid-19 pandemic may have an extended impact and despite the bleak macroeconomic scenario in the near term, we wish to remain optimistic and recalibrate growth strategy to address these challenges and to make use of the new opportunities.

I wish to thank all our stakeholders who are standing by us through this difficult time and express my sincere gratitude to our shareholders, bankers, customers, Board of Directors and our committed employees. These are challenging and uncertain times, as a company and community, we can get through this and rise together.

Regards,

Virender Kumar Agarwal.



CORPORATE INFORMATION

SURYAAMBA SPINNING MILLS LIMITED

CIN: L18100TG2007PLC053831

ISIN: INE360J01011, GSTN: 27AALCS4199Q1Z8

Website: www.suryaamba.com, Email id: samba.ngp@gmail.com

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
(w.e.f 03.07.2019)

CHIEF FINANCIAL OFFICER

Mr. Gajanan N. Chhawsaria

COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Deepa Dudani

BANKERS

State Bank of India
Industrial Finance Branch,
Bharat Nagar, Nagpur-
440 033.

LISTED on BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400001.
BSE Scrip Code: 533101

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) (w.e.f 03.07.2019)

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (w.e.f 29.06.2020)

Mrs. Seema Agarwal
(Chairperson)

Mr. Mayank Agarwal (Member)

Mr. Amit Goela (Member)

REGISTRAR & SHARE TRANSFER AGENTS

KFin Technologies Private Limited
Karvy Selenium Tower B, Plot No 31 & 32 Financial District, Nanakramguda, Serilingampally, Mandal, Hyderabad 500 032.

STATUTORY AUDITORS

M/s. S. Venkatadri & Co.,
1408, Babukhan Estate,
Basheer Bagh, Hyderabad-
500 001.

REGISTERED OFFICE

1st Floor, Suryatowers, 105,
S P Road, Secunderabad
TG- 500 003

CORPORATE OFFICE

A-101, Kanha Apartment,
128, Chhaoni, Katol Road
Nagpur 440013, Maharashtra.

FACTORY

Survey No. 300, Nayakund,
Parseoni Road, Dist. Nagpur,
MH- 441 105.



NOTICE

NOTICE IS HEREBY GIVEN THAT THE 13TH ANNUAL GENERAL MEETING OF THE MEMBERS OF SURYAAMBA SPINNING MILLS LIMITED will be held on Thursday, the 13th day of August, 2020 at 12:30 P.M. Indian Standard Time (“IST”), through Video Conferencing / Other Audio Visual Means (“VC/OAVM”) facility to transact following business:

ORDINARY BUSINESS:

1. Adoption of Audited Financial Statements.

To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2020, together with the Reports of the Board of Directors and Auditors thereon.

2. Declaration of Dividend on Equity Shares.

To declare dividend @ ₹0.60/- per equity share of face value of ₹10/- each (being 6%) for the financial year ended March 31, 2020.

3. Confirmation of Dividend paid on Preference Shares.

To confirm the payment of Preference Dividend on 8% Cumulative Redeemable Preference Shares (CRPS) of the Company of ₹100/- each for the financial year ended March 31, 2020, for the period from April 1, 2019 up to the date of redemption i.e. March 12, 2020 (being 7.58%).

4. Appointment of Mrs. Seema Agarwal (DIN: 01430206) Joint Managing Director of the Company, liable to retire by rotation.

To appoint Mrs. Seema Agarwal (DIN: 01430206) Joint Managing Director of the Company, who retires by rotation and being eligible, offers herself for re-appointment.

5. Appointment of Statutory Auditors.

To appoint and if thought fit to pass, with or without modifications, pass the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 139 and 142 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, as amended from time to time, M/s Manish N. Jain & Co., Chartered Accountants, (Firm Registration No: 138430W) be and are hereby appointed as the Statutory Auditors of the Company for a term of 5 (Five) consecutive years, i.e. to hold office commencing from the conclusion of this 13th Annual General Meeting till the conclusion of the 18th Annual General Meeting of the Company, at such professional fees and re-imbusement of out of pocket expenses, if any, in each financial year, as recommended by the Audit Committee and mutually agreed to between the Board of Directors and the Statutory Auditors of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution.”



SPECIAL BUSINESS:

6. Ratification of Cost Auditor's remuneration.

To approve the remuneration of the Cost Auditors for the financial year ending March 31, 2021 and, in this regard, to consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 148(3) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, as amended from time to time, the Company hereby ratifies the remuneration of ₹ 50,000 plus applicable taxes and out-of-pocket expenses, if any, incurred in connection with the cost audit, payable to M /s G. R. Paliwal & Co. (Firm Registration No. 100058), who is appointed as Cost Auditor of the Company to conduct the audit of the cost records maintained by the Company for the financial year ending March 31, 2021.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution.”

7. Re-appointment of Mr. Mayank Agarwal as Whole-Time Director of the Company.

To re-appoint Mr. Mayank Agarwal (DIN: 02749089) as a Whole-time Director and in this regard, 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 Mr. Mayank Agarwal (DIN: 02749089), as Whole-Time 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. Mayank Agarwal as Whole-Time Director shall be for a period of 5 years i.e. with effect from August 01, 2020 till July 31, 2025. Though he shall be liable to retire by rotation whilst he continues to hold office of Whole-Time Director; however, his re-appointment on retirement by rotation will not break his length of service as Whole-Time Director.

ii. Remuneration, benefits and perquisites:

Salary: ₹ 95,000/- per month.

Commission: Commission not exceeding @ 2% on the net profits of the Company calculated as per the provisions of Section 198 of the Companies Act, 2013, may be paid to the Whole-Time Director subject to the condition that the total remuneration for each year shall not exceed the overall limit as provided under Section 197 of the Companies Act, 2013 read with schedule V of the Companies Act, 2013.

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

Category A

The following perquisites and/or allowances given in Category A will be allowed in addition to the salary:



- a) **Housing:** Rent free accommodation including facilities or services such as Gas, Electricity, water, etc. or Housing Allowance to the extent of 50% of the salary.
- b) **Medical Re-imburement:** Medical expenses incurred for self & family subject to a ceiling of one month's salary per year or 3 months' salary in a period of 3 years.
- c) **Club Fee:** Fee of club subject to a maximum of two clubs, admission and life (corporate) membership fee for any one club.
- d) **Leave Travel Concession:** For self and family once in a year incurred in accordance with the rules of the company.
- e) **Personal Accident Insurance:** Premium of a sum not exceeding ₹ 4000/- per month towards personal accident insurance policy of Mr. Mayank Agarwal.

Category B

- a) Contribution by the Company to Provident Fund, Superannuation Fund or Annuity Fund as per the rules of the Company.
- b) Payment of Gratuity subject to an amount equal to half a month's salary for each completed year of service.
- c) Free use of Car with Driver, telephone and other communication facilities at residence for use of Company's business and the same shall not form part of remuneration.
- d) Reimbursement of travelling, boarding and lodging expenses and other amenities as may be incurred by them from time to time, in connection with the Company's business as per Company rules and the same shall not form part of remuneration.

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.

- 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 authorised 'Committee' thereof) be and is hereby authorised 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."



8. 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 authorised ‘Committee’ thereof) be and is hereby authorised 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.”

By Order of the Board of Directors

Place: Nagpur

Date : June 29, 2020

Virender Kumar Agarwal

Chairman & Managing Director
Directors Identification No.: 00013314
Add: Near Thapar House, P.N., 153,
RBI Square, Temple Road,
Civil Lines, Nagpur 440014.

Registered Office:

1st Floor, Surya towers, 105,
S P Road, Secunderabad, TG 500003
Phone: (040) 27813360
E-mail: samba.ngp@gmail.com
Website: www.suryaamba.com
CIN: L18100TG2007PLC053831
ISIN: INE360J01011

NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Act setting out material facts in respect of special businesses to be transacted at the meeting under Item No. 5 to 8 of the Notice is annexed hereto. The relevant details, pursuant to Regulations 26(4) and 36(3) of the Listing Regulations and Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India, in respect of a Director seeking re-appointment at this AGM are also annexed.



GENERAL INSTRUCTIONS FOR ACCESSING AND PARTICIPATING IN THE 13TH AGM THROUGH VC/OAVM FACILITY AND VOTING THROUGH ELECTRONIC MEANS INCLUDING REMOTE E-VOTING

2. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed, the Government of India, Ministry of Corporate Affairs allowed conducting Annual General Meeting through Video Conferencing (VC) or Other Audio Visual Means (OAVM) and dispensed the personal presence of the members at the meeting. Accordingly, the Ministry of Corporate Affairs issued Circular No. 14/2020 dated April 08, 2020, Circular No. 17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020 prescribing the procedures and manner of conducting the Annual General Meeting through VC/ OAVM.

In terms of the said circulars, the 13th Annual General Meeting (AGM) of the members will be held through VC/OAVM. Hence, members can attend and participate in the AGM through VC/OAVM only. The detailed procedure for participation in the meeting through VC/OAVM is contained in this Notice.

National Securities Depository Limited (NSDL) will be providing facility for voting through remote e-Voting, participation in the 13th AGM through VC/OAVM Facility and e-Voting during the 13th AGM.

3. **Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the Company.**

Since this AGM is being held pursuant to the MCA circulars through VC/OAVM mode, the requirement of physical attendance of members has been dispensed with. Accordingly, in terms of the MCA circulars, the facility for appointment of proxies by the members will not be available for this AGM and hence the proxy form, attendance slip and route map of AGM are not annexed to this notice.

4. Institutional Investors, who are Members of the Company, are encouraged to attend and vote at the 13th AGM through VC/OAVM facility. Corporate Members intending to appoint their authorised representatives pursuant to Sections 112 and 113 of the Act, as the case maybe, to attend the AGM through VC/OAVM or to vote through remote e-Voting are requested to send a certified copy of the Board Resolution to the Scrutinizer by e-mail at csaarjuagrawal@gmail.com with a copy marked to with a copy marked to evoting@nsdl.co.in and cssuryaamba@gmail.com.
5. 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 Act.
6. In line with the MCA General Circular dated May 05, 2020 and SEBI Circular dated May 12, 2020, the Notice of the AGM alongwith the Annual Report 2019-20 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories. Members may note that the Notice and the Annual Report 2019-20 will also be available on the Company's website at www.suryaamba.com, on the website of the Stock Exchange i.e. BSE Limited at www.bseindia.com and on the website of NSDL <https://www.evoting.nsdl.com>.
7. Members can join the 13th AGM through VC/OAVM mode 30 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice.
8. Members may note that the VC/OAVM facility, provided by NSDL, will be made available for 1000 Members on a first-come-first-served basis as per the MCA Circulars. The large shareholders (i.e. shareholders holding 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration



Committee and Stakeholders Relationship Committee, auditors, etc. can attend the 13th AGM without any restriction on account of first-come- first-served principle.

Book Closure and Dividend:

9. The Register of Members and the Share Transfer Books of the Company will be closed from **Friday, August 07, 2020 to Thursday, August 13, 2020, both days inclusive**. If the dividend, as recommended by the Board of Directors, is approved at the AGM, payment of such dividend subject to deduction of tax at source will be made within 30 days from the date of declaration as under:
- (a) To all the Beneficial Owners as at the end of the day on Thursday, August 06, 2020 in the list of beneficial owners to be furnished by the National Securities Depository Limited and Central Depository Services (India) Limited ('CDSL') in respect of the shares held in electronic form; and
- (b) To all Members in respect of shares held in physical form after giving effect to valid transmission and transposition in respect of valid requests lodged with the Company as of the close of business hours on Thursday, August 06, 2020.
10. Pursuant to the Finance Act, 2020, dividend income will be taxable in the hands of the Shareholders with effect from April 1, 2020 and the Company is required to deduct TDS from dividend paid to the Members at prescribed rates in the Income Tax Act, 1961 ('IT Act'). In general, to enable compliance with TDS requirements, Members are requested to complete and/or update their Residential Status, Permanent Account Number ('PAN'), category as per the IT Act with their Depository Participants ('DPs') or in case shares are held in physical form, with the Company/RTA by sending documents through e-mail by Tuesday, August 04, 2020.
11. A Resident individual shareholder with PAN and who is not liable to pay income tax, can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by sending an email to cssuryaamba@gmail.com latest by 11:59 p.m. (IST) on August 04, 2020. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.

Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending an email to cssuryaamba@gmail.com. The aforesaid declarations and documents need to be submitted by the shareholders latest by 11:59 p.m. (IST) on August 04, 2020.

Updation of Members' Details:

12. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to Company's RTA in case the shares are held by them in physical form.
13. Member's attention is also invited to SEBI's circular no SEBI/HO/MIRSD/0081/CIR/P/2018/73 dated April 20, 2018, pursuant to which the Company has written to shareholders requesting them to furnish details regarding their PAN as also their bank details for payment of dividend, if any, through electronic mode. Those shareholders who are yet to respond to the Company's request in this regard are once again requested to take action in the matter at the earliest.



14. The Members who are unable to receive the dividend directly in their bank accounts through Electronic Clearing Service or any other means, due to non-registration of the Electronic Bank Mandate, the Company shall dispatch the dividend warrant/bankers' cheque/demand draft to such Members, upon normalization of postal services and other activities.
15. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 01, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company Secretary or KFin Technologies Private Limited, Company's Registrar and Share Transfer Agents ("RTA") for assistance in this regard. Members may refer process for dematerialization of shares available on Company's website www.suryaamba.com.
16. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with RTA in case the shares are held by them in physical form.
17. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified from time to time.
18. **Transfer of Unclaimed Dividend Amounts / Shares to the Investor Education and Protection Fund (IEPF):** Members are requested to refer details pertaining to unclaimed dividend and unclaimed shares mentioned in the Corporate Governance Report forming part of this Annual Report. The said can also be accessed at Company's website www.suryaamba.com.
19. **Nomination Facility:** In terms of Section 72 of the Companies Act, 2013, nomination facility is available to individual shareholders holding shares in the physical form. The shareholders, who are desirous of availing this facility, may kindly write to Company's RTA for nomination form by quoting their folio number.

20. VOTING THROUGH ELECTRONIC MEANS:

In compliance with the provisions of Section 108 of the Act and the Rules framed thereunder, as amended to date and Regulation 44 of the Listing Regulations read with MCA Circulars and SEBI Circular, 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.

Information and other instructions relating to E-voting are as under:

- a. Voting rights of the Members shall be in proportion to their shares of the paid up equity share capital of the Company, as on the **cut-off date** (record date), being **Thursday, August 06, 2020**.
- 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, i.e **Thursday, August 06, 2020** only shall be entitled to avail the facility of remote e-voting.
- c. **The remote e-voting facility will be available during the following period: Commencement of remote e-voting: From 09.00 a.m. (IST) on Monday, August 10, 2020 and End of remote e-voting: Upto 05.00 p.m. (IST) on Wednesday, August 12, 2020. A person who is not a member as on the cut-**



off date should treat this Notice for information purpose only. The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by NSDL upon expiry of aforesaid period. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

- d. The Members who have cast their vote by remote e-voting prior to the AGM may also attend / participate in the AGM through VC / OAVM, but shall not be entitled to cast their vote again.
- e. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the Cut-off date i.e. August 06, 2020, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/Password” option available on www.evoting.nsdl.com.
- f. **E-voting Instructions:** The details of the process and manner for remote e-voting are explained herein below:

Step-1: Log-in to NSDL e-voting system at <https://www.evoting.nsdl.com/>

- i) Visit the e-voting website of NSDL by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- ii) Once the home page of e-voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
- iii) A new screen will open. You will have to enter your User ID, your Password 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.

iv) 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***

**v) Your password details 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 mail box and open the attachment i.e. 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 e-mail ids are not registered.
- vi) 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.
 - b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on 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 mentioning your demat account number/folio number, PAN, name and registered address.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
- vii) After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
- viii) Now, you will have to click on "Login" button.
- ix) After you click on the "Login" button, Home page of e-Voting will open.

Step-2: Cast your vote electronically on NSDL e-voting system

- i) After successful login at Step-1, you will be able to see the Home page of e-voting. Click on e-voting. Then, click on Active Voting Cycles.
- ii) After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
- iii) Select "EVEN" of Suryaamba to cast your vote.
- iv) Now you are ready for e-voting as the Voting page opens.
- v) 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.



- vi) Upon confirmation, the message "Vote cast successfully" will be displayed.
- vii) You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- viii) Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

Process for registration of email ID for obtaining Annual Report and user ID / password for e-voting and updation of bank account mandate for receipt of dividend:

Physical Holding:	<p>Send a request to the Registrar and Transfer Agents of the Company, Kfin Technologies Private Limited at raghu.veedha@kfintech.com with copy mark to cssuryaamba@gmail.com providing 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) for registering email address.</p> <p>Following additional details need to be provided in case of updating Bank Account Details:</p> <ol style="list-style-type: none"> Name and Branch of the Bank in which you wish to receive the dividend, the Bank Account type, Bank Account Number allotted by their banks after implementation of Core Banking Solutions 9 digits MICR Code Number, and 11 digits IFSC Code a scanned copy of the cancelled cheque bearing the name of the first shareholder.
Demat Holding:	Please contact your Depository Participant (DP) and register your email address and bank account details in your demat account, as per the process advised by your DP.

21. INSTRUCTIONS FOR MEMBERS FOR PARTICIPATING IN THE 13TH AGM THROUGH VC/OAVM, ARE AS UNDER:

- a. Members will be able to attend the 13th AGM through VC/OAVM or view the live webcast of AGM provided by NSDL at <https://www.evoting.nsdl.com> by using their remote e-voting login credentials and selecting the EVEN for Company's AGM.

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. Further, Members can also use the OTP based login for logging into the e-voting system of NSDL.

- b. Facility of joining the AGM through VC / OAVM shall open 30 minutes before the time scheduled for the AGM and will be available for Members on first come first served basis.
- c. Members who need assistance before or during the AGM, can contact NSDL on evoting@nsdl.co.in or call at **Toll-free no. 1800-222-990**.
- d. Members are encouraged to join meeting through laptop or desktops having internet connectivity with a good speed to avoid any disturbance during the meeting.
- e. Please note that Members connecting from mobile devices or tablets or through laptops etc 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.



- f. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at cssuryaamba@gmail.com from August 06, 2020 (9:00 a.m. IST) to August 08, 2020 (5:00 p.m. IST). Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
- g. **Other Instructions for members for e-voting during the 13th AGM are as under:**
- i. Members may follow the same procedure for e-Voting (venue voting) during the 13th AGM as mentioned above for remote e-Voting.
 - ii. Only those Members, who will be present in the 13th AGM through VC/OAVM Facility and have not cast 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 13th AGM.
 - iii. The Members who have cast their vote by remote e-Voting prior to the 13th AGM may also participate in the 13th AGM through VC/ OAVM Facility but shall not be entitled to cast their vote again.
 - iv. 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 or call on toll free no.: 1800-222- 990 or send a request to at evoting@nsdl.co.in

22. 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 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 13th AGM in a fair and transparent manner.
- d. The Scrutinizer shall after the conclusion of e-Voting at the 13th 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 13th AGM, who shall then countersign and declare the result of the voting forthwith.
- e. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company at 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 August 08, 2020 by writing an email on cssuryaamba@gmail.com. The same will be replied by the Company suitably.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 (“THE ACT”)**

Pursuant to Section 102 of the Act, the following explanatory statement sets out all material facts relating to the businesses mentioned under Item Nos. 5 to 8 of the accompanying Notice.

Item No. 5

The Members of the Company at the 8th Annual General Meeting ('AGM') held on September 25, 2015 approved the appointment of Messrs. S. Venkatadri & Co., Chartered Accountants (Firm Registration No: 004614S), as the Auditors of the Company for a for a second term of five years to hold the office till the conclusion of this AGM, having completed their term as prescribed under Section 139 of the Companies Act, 2013, the Company is required to appoint another Auditor for a period of five years.

The Board of Directors has, based on the recommendation of the Audit Committee, at its meeting held on June 29, 2020, proposed the appointment of M/s Manish N. Jain & Co., Chartered Accountants, (Firm Registration No: 138430W) as the Statutory Auditors of the company for a term of 5 consecutive years, to hold the office from the conclusion of this 13th AGM till the conclusion of the 18th AGM.

M/s Manish N. Jain & Co. (Firm Registration No: 138430W) is a firm of Chartered Accountants, registered with the Institute of Chartered Accountants of India (ICAI) and is based out in Nagpur, Maharashtra. The Firm has rich and varied experience in the field of Statutory Audit - Risk Based Approach, Ind AS impact study, Risk Advisory Services, Tax Advisory Services and other allied services. The Firm holds a valid Peer review certificate (Certificate No. 010231) as on the date of appointment issued by ICAI.

M/s Manish N. Jain & Co., Chartered Accountants, (Firm Registration No: 138430W) have consented to their appointment as Statutory Auditors and have confirmed that if appointed, their appointment will be accordance with Section 139 read with Section 141 of the Act.

The Board of Directors of the Company, based on the fee proposal received and on the recommendation of the Audit Committee, has proposed a professional fee of ₹ 1.50 lakhs plus applicable taxes and reimbursement of out of pocket expenses, if any, to Manish N. Jain & Co., towards carrying out the Statutory Audit of the Company. The Board may revise the fee payable to the Statutory Auditors, as per the recommendation of the Audit Committee, as may be mutually agreed with the Statutory Auditors of the Company.

The Company had paid a professional fee of ₹ 1.65 lakhs towards carrying out the Statutory Audit of the Company to the outgoing Statutory Auditors i.e. S. Venkatadri & Co., Chartered Accountants, (Firm Registration No: 004614S) for the financial year 2019-20. In the opinion of the Audit Committee and the Board of Directors of the Company, the fees payable to S. Venkatadri & Co., Chartered Accountants, is based on the fee proposal received at the time of selection of the Statutory Auditors by the Audit Committee.

None of the Directors, Key Managerial Personnel of the Company and/or any relatives of such Director, Key Managerial Personnel are in anyway concerned or interested in the resolution set out at Item No. 5 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No. 5 of the notice for approval by the Members.

**Item No. 6**

The Company is directed under the provisions of Section 148 of the Act, read with the Companies (Cost Records and Audit) Rules, 2014, as amended from time to time, to have the audit of its cost records conducted by a Cost Accountant. Further, in accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the Members of the Company.

The Board of Directors, on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s G. R. Paliwal & Co., (Firm Registration No. 100058), as the Cost Auditors to conduct the audit of the cost records of the Company, for the financial year ending March 31, 2021, at a remuneration of ₹ 50,000 plus applicable taxes and out-of-pocket expenses.

M/s G. R. Paliwal & Co. have the necessary experience in the field of cost audit and have submitted a certificate regarding their eligibility for appointment as Cost Auditors of the Company. Accordingly, Board recommends the Ordinary Resolution as set out at Item No. 6 of the accompanying Notice for ratification of the remuneration amounting to ₹ 50,000 plus applicable taxes and out-of-pocket expenses payable to the Cost Auditors for the financial year ending March 31, 2021 for approval by the Members.

None of the Directors, Key Managerial Personnel of the Company and/or any relatives of such Director, Key Managerial Personnel are in anyway concerned or interested in the resolution set out at Item No. 6 of the Notice.

Item No. 7

Mr. Mayank Agarwal (DIN: 02749089), born on March 11, 1990 holds a degree in Industrial Engineering from Michigan University, USA and MFAB (Masters in Family Administered Business) from Indian School of Business, Hyderabad. He is on the Board of the Company since August 01, 2009 and presently associated in the capacity of Whole-time Director of the Company.

Mr. Mayank Agarwal, a third generation entrepreneur and an industrialist with a stupendous financial and management skills and having strong leadership and communication expertise is steering the Company towards strategic investments in the Textile business that will align with the company's long-term growth plans and create various opportunities for diversification and expansion and also have helped scaled the overseas business across new countries.

The members at the 8th Annual General Meeting (AGM) held on September 25, 2015, had appointed Mr. Mayank Agarwal as Whole-time Director of the Company for a period of 5 years w.e.f August 01, 2015 to July 31, 2020. The tenure of Mr. Mayank Agarwal as Whole-time Director would lapse on July 31, 2020.

In recognition of his valuable contribution to the overall performance and growth of the Company, the Board has, based on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the Members, approved the re-appointment of Mr. Mayank Agarwal as the Whole Time Director of the Company, post completion of his present term, for a further period of 5 (five) consecutive years i.e. with effect from August 01, 2020 to July 31, 2025, liable to retire by rotation at a remuneration given at Item No. 7.

Mr. Mayank Agarwal is neither disqualified from being reappointed as Director in terms of Section 164 of the Companies Act, 2013 nor debarred from holding the office of Director pursuant to any SEBI order and has given his consent to act as Whole-Time Director of the Company. Mr. Mayank Agarwal satisfies all the conditions as set out in the Section 196(3) of the Act and Part-I of Schedule V to the Act, for being eligible for his appointment. Particulars of his qualifications, brief resume, area of expertise and other details are annexed to this Notice.



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. 7 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No. 7 of the notice for approval by the Members.

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. Mayank Agarwal's re-appointment as Whole-time Director along with terms of remuneration for a term of five years effective from August 01, 2020 is sought for members approval at Item no.7 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. Mayank Agarwal proposed at item no. 7 of the Notice of the 13th 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. 8 of the Notice.

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



ANNEXURE TO THE NOTICE

Details of Directors seeking appointment / re-appointment at the ensuing Annual General Meeting.
[Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards]

Name of the Directors:	Mrs. Seema Agarwal	Mr. Mayank Agarwal
Date of Birth	November 22, 1967	March 11, 1990
Nationality	Indian	Indian
Director Identification Number	01430206	02749089
Date of first appointment on the Board	January 01, 2009	August 01, 2009
Qualifications	Bachelor of Arts	Industrial Engineering from Michigan University, USA and MFAB (Masters in Family Administered Business) from Indian School of Business, Hyderabad.
Resume / Expertise in specific functional areas	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.
Relationships between directors inter-se	Wife of Mr. Virender Kumar Agarwal / Mother of Mr. Mayank Agarwal.	Son of Mr. Virender Kumar Agarwal and Mrs. Seema Agarwal.
Number of Meetings of the Board attended during the year	Six out of Six	Six out of Six
No. of equity shares held in the Company	642250	270997
Directorship in other public or listed Companies as on March 31, 2020	Nil	Nil
Chairmanship/ Membership of Committees of other Board	Nil	Nil

MANAGEMENT DISCUSSION AND ANALYSIS REPORT



At Suryaamba, we recognize that, we have been able to maintain our financial and operational performance, in spite of the challenging macro environment. We maintain our focus on the domestic market and continuing to grow our export business. Considering the near term market challenges, we strive to create opportunities and continue to focus on creating value for our stakeholders.

INDIAN ECONOMIC OVERVIEW

In terms of GDP, Indian Economy is the fifth largest economy in the world. In 2019, India became a \$ 2.7 trillion economy, having added one trillion US dollars in the last five years. The economic survey of the government outlined the blueprint to achieve the vision of making Indian a USD 5 trillion economy by 2024-25. According to the World Bank, the global economy decelerated to an estimated 2.4 percent in 2019, the slowest pace since the global financial crisis. The Indian economy was not immune to the slowdown. The economy faced multiple headwinds and amidst a weak environment for global manufacturing and trade and challenges in the domestic financial sector, the Indian economy slowed down with GDP growth to 4.2% in financial year 2019-20 as compared to 6.1% in financial year 2018-19.

Recognizing financial stress built up in the economy, Government of India undertook initiatives such as liberalizing sectors to attract foreign direct investment, speeding up insolvency resolution process under Insolvency and Bankruptcy Code, upfront capital infusion in public sector banks to alleviate liquidity concerns and reducing corporate tax rates to revive private investments. RBI has taken number of measures to ensure sufficient liquidity in the system since the beginning of 2019-20. We note that it has slashed policy rate (Repo rate) from 6.25% in the beginning of year to 4.4% at the closing of fiscal and at now at 4% in ongoing fiscal so far. We also note this time transmission of rate cuts has happened in a large way and helped across all industries and borrowers.



Despite the slowdown, India has improved its ranking in World Bank’s ‘Doing Business’ and moved up by 14 position to 63rd rank in 2019, among 190 countries, which immensely contributed to the increase in global confidence in Indian economy.

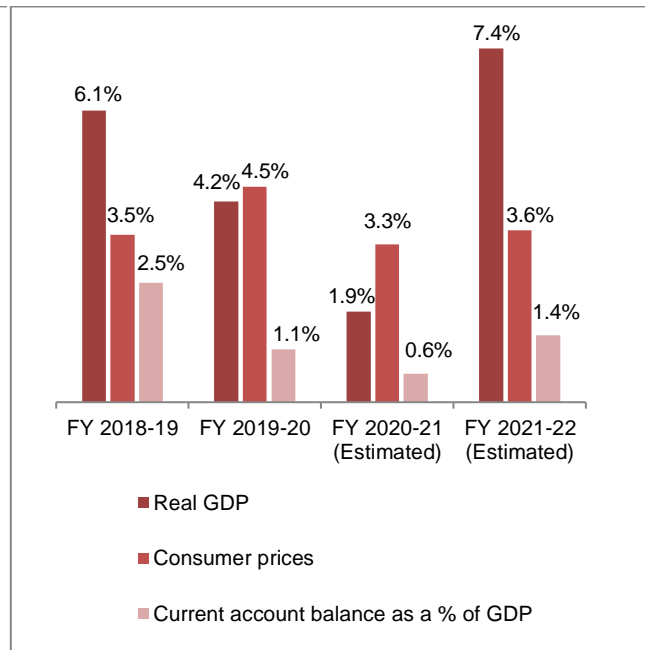
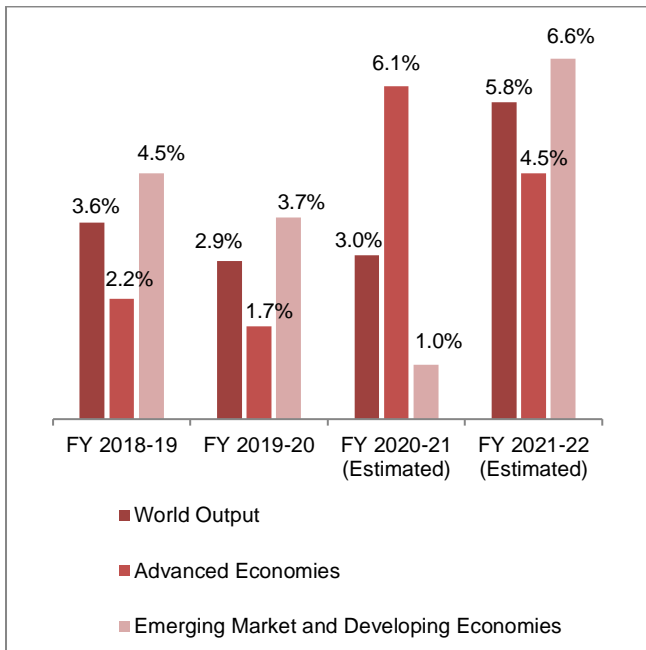
However, the recent outbreak of COVID-19, which led to a country wide lockdown to curtail the spread of virus, has posed a altogether new challenge and has altered the outlook of Indian Economy. Government of India and RBI are nevertheless continuously working and taking steps to revive the economy and enhance rural income. Fiscal as well as monetary measures have been introduced and are expected to decelerate this slowdown and will help the economy grow in at rebound at the earliest pace.

Amidst the Covid-19 crisis, Fitch Ratings lowered India’s economic growth estimate for FY 2020-21 to 0.8%, citing a fall in consumer spending and fixed investment and disruption in economic activities. However, it expects a sharp rebound in India’s growth to 6.7% in FY 2021-22. Besides, favorable international oil prices are likely to keep India’s inflation rates within manageable bounds and lower its current account and fiscal deficit.

As per Moody’s (a global rating company), India’s GDP growth rate for 2020-21 is expected to be at zero mainly led by steep deterioration in business activities and sharp contraction in consumption trend due to disruption led by COVID-19. However, on a positive note, it has forecasted India’s GDP growth rate to bounce back to 6.6 per cent in 2021-22.

World Economic Outlook

Indian Economic Outlook

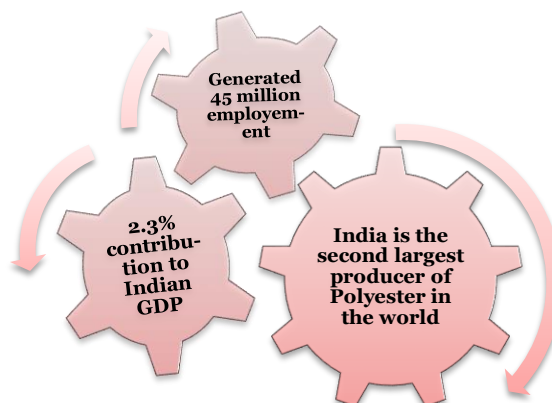


(Source: IMF World Economic Outlook, April 2020)

INDUSTRY STRUCTURE AND DEVELOPMENTS

INDIAN TEXTILE INDUSTRY

India is among the world's largest producers of Textiles products. The Indian Textile Industry holds a dominant position and maintaining its uniqueness and strength in both organized and unorganized sector. The domestic textiles and apparel industry contributes 2.3% to India's GDP and accounts for 13% of industrial production, and 12% of the country's export earnings. The textiles and apparel industry in India is the second-largest employer in the country providing employment to 45 million people. As an industry the sector significantly contributes to the economy of a country.



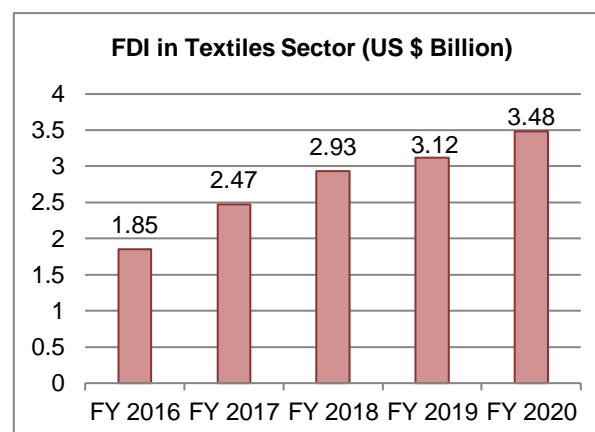
India has also become the second-largest manufacturer of PPE and producer of polyester, silk and fibre in the world in the world. More than 600 companies in India are certified to produce PPEs today, whose global market worth is expected to be over \$92.5 billion by 2025, up from \$52.7 billion in 2019.

The market size of industry is expected to reach \$ 223 billion by 2021 from \$ 140 billion (domestic and export) in 2018. Exports in the textiles and apparel industry are expected to reach \$300 billion by 2024-25 resulting in a tripling of Indian market share from 5% to 15% and create an additional 35 million jobs. By 2022, the Indian textile sector will require additional 17 million workforces.

(source: *business-standard.com, investindia.gov.in*).

India's textile and apparel exports stood at US\$ 38.70 billion in FY19 and is expected to increase to US\$ 82.00 billion by 2021 from US\$ 22.95 billion in FY20 (up to November 2019) (source: *ibef*).

The growth in demand is expected to continue at 12% CAGR to reach US\$ 220 billion by 2025. India has most liberal and transparent policies in Foreign Direct Investment (FDI) amongst emerging countries. India is a promising destination for FDI in the textile sector. The textiles sector has witnessed a spurt in investment during the last five years, it attracted Foreign Direct Investment (FDI) worth US\$ 3.48 billion up to March 2020. With its consistent growth performance and abundant cheap skilled manpower, there are enormous opportunities both for domestic and foreign investors to make investments in textile sector in India.



(Source: Ministry of Commerce and Industry, DPIIT)

Government Initiatives: India imports significant quantity of technical textiles worth \$ 16 billion every year. To reverse this trend and to position India as a global leader in technical textiles, under Union Budget 2020-21, a National Technical Textiles Mission is proposed for a period from 2020-21 to 2023-24 at an estimated outlay of ₹1,480 crore (US\$ 211.76 million). Anti-dumping duty on purified terephthalic acid (PTA), a critical input for textile fibers and yarns, is being abolished. The Ministry of Textiles has been allocated Rs. 3,515 crore in the current Budget 2020-21 and for ATUF Scheme, the fund allocation is ₹ 761.90 crore.

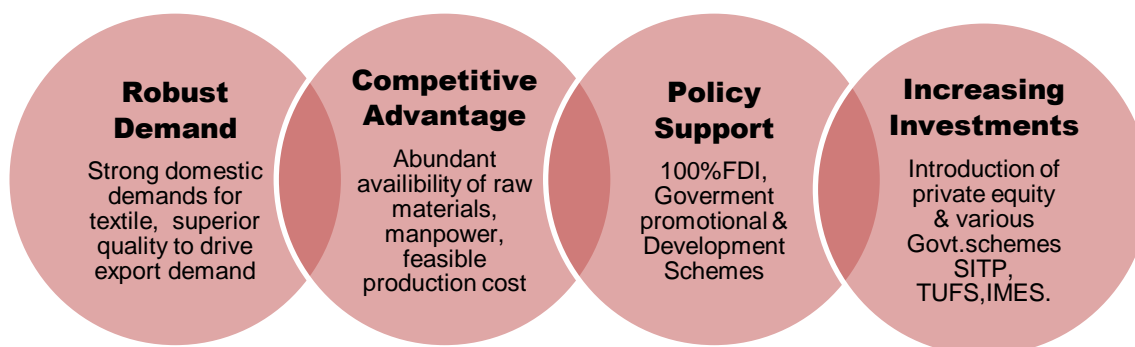
The Government of India has taken several measures including Amended Technology Up-gradation Fund Scheme (A-TUFS), scheme is estimated to create employment for 35 lakh people and enable investments worth Rs 95,000 crore (US\$ 14.17 billion) by 2022. In 2020, New Textiles Policy 2020 is expected to be



released by the Ministry of Textiles. Under the Scheme for Integrated Textile Parks (SITP), 59 textile parks were sanctioned out of which 22 have been completed.

OPPORTUNITY IN THE SECTOR

The country has several growth drivers for this industry viz., abundance of natural resources, raw material, competitive manufacturing costs, large and growing domestic market, presence of entire value chains, availability of manpower, export promotion & increase in demand, rising per capita income, organized retail & e-Commerce platform, increasing loans under TUF, growing domestic and foreign investments.



Company's Core Competencies

Suryaamba Spinning Mills Limited is one of the well-known producers of synthetic blended yarn for over a decade and a forward looking Company focused on building quality products, customer's satisfaction and promising growth in the industry.

The Company strengthens its position with-

- ◆ Management team which has rich experience in marketing & textile manufacturing.
- ◆ Availability advanced technology equipment.
- ◆ Well-defined quality and process management system.
- ◆ Experienced and qualified professionals with rich and proven experience.
- ◆ Established systems for emphasis on quality of product.

CHALLENGES FACED BY THE SECTOR

- ◆ Volatility of supply and cost of raw material.
- ◆ Competition from other low cost neighboring countries such as Bangladesh, Vietnam, Indonesia and Pakistan is the biggest threats to Indian textile industry.
- ◆ Changing consumer behavior, Infrastructure bottlenecks, outdated technology, inflexible labour laws and a fragmented nature of the industry.



BUSINESS OUTLOOK

Synthetic yarn products are the preferred yarns in the textile industry due to its unique features like lower price and available uniformly throughout the year. Whereas, the near-term outlook remains challenging due to the economic slowdown following lockdown to curb the spread of the COVID-19 pandemic. On the other hand, there also seems to be a short-term opportunity for Indian companies to cater to those markets which were earlier catered by China and Bangladesh and any disruption in supply chain or production of polyester yarn in China, which has a global exports share of 50 per cent, may provide higher export opportunity to Indian polyester yarn manufacturers. Demand revival will also depend on government measures to incentives exports, domestic demand is expected to revive by third quarter as the lockdown is slowly unfolded. Additionally, a headroom for growth as polyester yarn is a cheaper substitute for cotton and other fibers.

The Company is confident and aims to focus on operational excellence and to tide over the current difficult period and capitalize on the future opportunities, however, the same goes in line with global and Indian economy scenario.

COVID-19 IMPACT AND SURYAAMBA'S RESPONSE

World Health Organization (WHO) declared outbreak of Corona virus Disease (COVID-19) a global pandemic. Consequent to this, Government of India declared lockdown on March 23, 2020 and the Company temporarily suspended the operations in at its units in compliance with the lockdown instructions issued by the Central and State Governments. COVID-19 has impacted the normal business operations of the Company by way of interruption in production, supply chain disruption, unavailability of personnel, closure/lock down of production facilities etc. during the lockdown period which has been extended till third week of May, 2020. However, partially production and supply of goods has commenced during the month of April 2020 after obtaining permissions from the appropriate government authorities.

Suryaamba extended its support and cooperation towards all Government Initiatives/ Directions for combating the escalating COVID-19 situation. Company has adopted several measures across its offices and site to ensure business continuity. In order to create awareness and protect employees, some of the measures taken are:

- 'Work from Home' facility for our office staff.
- Following of social distancing norms.
- Minimizing external visitors unless crucial.
- Compulsory hand sanitization for all at frequent intervals.
- Daily periodic sanitization of offices, work-area, company transport, etc.
- Provision of hand sanitizers, masks and medical kit.
- Multiple awareness drives for all employees.
- Strict prohibition on chewing Pan or Gutka.

RISKS AND CONCERNS

Risks are integral part of the growth of a business. However, the Company frames the effective risk management which helps to mitigate the risks effectively and ensures business sustainability.

Risk:	Mitigation Approach:
Raw Material Price Risk: High volatility in prices impacts the overall cost of production, energy inputs and finished goods and thus, the profitability.	The company thoroughly reviews the purchasing policy so as to control the purchase price of the commodity. Securing the supplies of the key raw material and strong relationship with vendors ensures easy availability to the raw material sources. Increasing



	share of value added products in all businesses. Focused Cost Management and efficiency improvement.
Human Resources Risk: Non availability of the required talent resources can affect the performance of the Company.	Focused talent development and carrying out necessary improvements to attract and retain the best talent. Reviewing and monitoring performance & development of employees.
Competition Risk: With expanding capacity of exiting players and emergence of new entrants and any change in the competition intensity in the global market space, competition is a sustained risk and poses a potential threat to the Company.	Strategic initiatives to enhance marketing activities and continuous efforts in enhancing the product portfolio and the brand image of the Company. Increasing level of customer engagement. Trusted partnerships and offering competitive rates to its clients across the globe.
Currency Risk: As the Company deals globally, currency volatility may impacts the overall revenue of the Company.	Constant monitoring and hedging, if required, to mitigate any adverse movements in currency fluctuations.
Policy Risk: Implementation of any policy which is not in favour of the Company hampers the operations of the Company.	Adherence to government norms is being ensured. Following and utilization of schemes or incentives promoted by the government to boost the industry and stay ahead in the market.
Information Technology Risk: Risks related to Information Technology systems; data integrity and data security.	Systems are upgraded regularly with latest security standards, using back up procedures. Security policies and procedures are updated on a periodic basis and users educated on adherence to the policies so as to eliminate data leakages.
Regulatory Risk: Any default can attract penal provisions and may impact the company reputation.	To ensure compliance with all applicable statutes and regulations.
Unforeseen /Unavoidable Risk: The beginning of 2020 has witnessed the global spread of COVID-19, i.e. corona virus which has led to worldwide lockdown resulting slow down of economy, restriction in movement, temporary closure of business operations.	The Company leverages and takes out necessary measures immediately to curtail such unpredicted situation and challenges posed thereto. Company's response and action initiated on this pandemic are mentioned above.

Note: Financial Risks are covered in the Audited Financial Statements.

ENVIRONMENT AND SAFETY

The need for environmentally clean and safe operations is company's key priority. The Company policy requires the conduct of all operations in such a manner so as to ensure the safety of all concerned, compliance of statutory and industrial requirements for environment protection and conservation of natural resources to the extent possible.

HUMAN RESOURCES

Management recognizes that employees represent our greatest capital assets and it is only through motivated, creative and committed employees that we can achieve our aims. Driven by strong ethics, quality, integrity and team work, company works towards achievement of its goals and fulfillment of the objectives. The Company provides to its employees favourable work environment that motivates performance and innovation while adhering to high degree of quality and integrity. Assignment, empowerment and accountability is the cornerstone of all the people led processes. The Company continuously nurtures this environment to keep its employees highly motivated and result oriented. Industrial relations during the year continued to be cordial and the Company is committed to maintain good industrial relations through effective communication.

The total permanent employee's strength of the Company was 921 as on March 31, 2020.

FREE HEALTH CHECK-UP FOR WOMEN WORKERS

Suryaamba promotes health and safety of all employees at workplace. The health and safety of our staff is essential and is a key to optimize company's productivity. It appeared to the Company that most of the women workers were in control of many of the household responsibilities along with working at industrial unit of the Company. Considering their wellbeing, the Company organized a two day Health checkup assessment and awareness camp at Company's factory premises from October 04, 2019 to October 05, 2019.

The Company engaged services of CARE Hospitals, Nagpur to conduct general physical examination and medical screening through various tests namely Hemoglobin test, Blood TCDC test, ECG, Blood Pressure, Blood Sugar test, Bone Density test. The women beneficiaries participating in the camp were 224. The CARE Hospital doctors dedicated in the health check-up camp, Dr. Neha Bhargav, Dr. Nazma Parveen and Dr. Sunaina Dhunde spoke and guided our women workers on basic measures to be taken in daily routine to ensure good health. Following the test results and health examination, a medical prescription suggesting remedies and medicines were allotted to ensure their health maintenance.

We believe that, the health checkup eliminates any surprise element related to an individual's health conditions, ability to work, sickness, absence levels and express our care towards our staff and enable them to stay healthy, improved morale and loyalty.





INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has appropriate systems for Internal Control. The systems are improved and modified continuously to meet with changes in business conditions, statutory and accounting requirements. The Company's internal control systems and procedures commensurate with the size and nature of its operations. These systems are designed to ensure that all the assets of the Company are safeguarded and protected against any loss and that all the transactions are properly authorized recorded and reported. High accuracy in recording and providing reliable financial & operational support is ensured through stringent procedures.

The Audit Committee of Board of Directors reviews the internal audit report, efficiency and effectiveness of internal control systems and suggests the solution to improve and strengthen. The Internal control system during the year and no material weakness in design or operation was observed.

COMPANY'S PERFORMANCE REVIEW

The Company is engaged in the business of manufacturing and sales of textile products and operates only in one segment i.e., producers of Synthetic blended Yarns. The Company unit maintains standard operational system and certification of "ISO 9001:2015". The production during the year was 9785 MTS.

Revenues

Net Revenue from operation in FY20 stood at ₹ 16219.29 lakhs compared to ₹ 16866.22 lakhs in FY19.

EBIDTA

EBIDTA for FY20 stood at ₹ 1768.55 lakhs compared to ₹ 1475.18 lakhs in FY19.

Net Profit

Net Profit for the FY20 stood at ₹ 534.47 lakhs translating to EPS of ₹ 17.75 compared to ₹ 375.14 lakhs translating EPS of ₹ 11.67 in FY19.

Details of Significant Changes in key financial ratios, along with detailed explanations therefor:

a. Debtors Turnover	:	Reduced by 12.14%
b. Inventory Turnover	:	Reduced by 4.30%
c. Interest Coverage Ratio	:	Increased by 0.59%
d. Current Ratio	:	Increased by 0.06%
e. Debt Equity Ratio	:	Reduced by 0.07%
f. Operating Profit Margin	:	Increased by 71.69% due to value added products.
g. Net Profit Margin	:	Increased by 52.17% due to value added products.
h. Return On Net Worth	:	There has been an increase in return on net worth by 16.97% as compared to previous financial year, due to increased profitability.

ACCOUNTING TREATMENT

In the preparation of the financial statements, the Company has followed the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with relevant rules thereunder. The Significant Accounting Policies which are consistently applied have been set out in the notes to the financial statements.

Cautionary Statement

The statements in this Management Discussion and Analysis Report could differ materially from those expressed or implied. Though the statement and views expressed in the above said report are on the basis of best judgment but the actual future results might differ from whatever is stated in the report. The Company takes no responsibility for any consequence of decisions made based on such statements and holds no obligation to update these in future. Readers are cautioned not to place undue reliance on these forward-looking statements that speak only as of their dates.



DIRECTOR'S REPORT

Dear Members,

Your Directors have pleasure in presenting the 13th Annual Report on the business and operations of the Company, together with the audited accounts for the financial year ended March 31, 2020.

1. FINANCIAL RESULTS

The Company's financial performance for the year ended March 31, 2020 is summarized below:

(in lakhs)

Particulars	As at year ended March 31, 2020	As at year ended March 31, 2019
Revenue from operations	16,219.29	16,866.22
Other income	94.07	63.20
Total Revenue	16313.36	16929.42
Earnings Before Interest, Taxes, Depreciation and Amortisation	1768.55	1475.18
Less : Finance Cost	563.24	592.52
Less : Depreciation and Amortisation Expense	455.73	446.08
Profit before Tax	749.58	436.58
Less :Tax Expenses	229.13	94.56
Profit for the period	520.45	342.02
Other Comprehensive Income (net of tax)	14.02	33.12
Total Comprehensive Income	534.47	375.14
Earnings per share	17.75	11.67
Retained Earnings - Opening Balance	1040.65	701.29
Add: Profit for the year	534.47	375.14
Amount appropriated during the year:		
Dividend including dividend tax paid	35.35	35.29
Transfer to General Reserves	0.50	0.50
Retained Earnings - Closing Balance	1,539.27	1040.65

2. RESULTS OF OPERATION

The revenue from operations during the financial year 2019-2020 stood at ₹ 16,219.29 lakhs as compared to ₹ 16,866.22 lakhs in the previous financial year. Domestic revenue constitutes 80.73% of total revenue from operations and Export revenue constitutes 18.77% of total revenue from operations.

The operating profit (EBIDTA) of the Company has increased from ₹ 1475.18 lakhs in the previous year to ₹1768.55 lakhs in the current year, registering an increase of 19.89%. Your Company recorded a net profit of ₹ 534.47 lakhs in the current year as compared to ₹ 375.14 lakhs in the previous year, registering a significant increase of 42.48%. The Company has reported Earnings per Share of ₹ 17.75 during the current year against ₹ 11.67 in the previous year.

Amidst the tough economic state of affairs, the performance achieved is the cumulative outcome of multiple factors such as product rationalization, capacity optimization, risk management, cost control measures, opting best financial solutions, seeking successful partnerships and efforts for exploring alliances, etc. taken by the management of your Company.



3. TRANSFER TO RESERVES

The Company has transferred ₹ 0.50 lakhs to the general reserve out of the amount available for appropriations for the financial year ended March 31, 2020.

4. DIVIDEND

The Company, after considering various external factors in correlation to impact of unprecedented COVID-19 pandemic as well as internal factors such as the long-term growth strategy of the Company and the liquidity position including working capital requirements, your Directors recommended a dividend of ₹ 0.60/- per equity share of the Company of ₹ 10/- each fully paid up (being 6%) for the financial year ended March 31, 2020, for the approval of the shareholders at the ensuing Annual General Meeting ('AGM') of the Company. The total outgo on account of equity dividend inclusive of dividend tax for the FY 2019-20 would aggregate to ₹ 20.53 lakhs.

Further, the Board of Directors on February 14, 2020 have approved payment of Dividend on 8% Unlisted Cumulative Redeemable Preference shares of the Company (CRPS) of the Company of ₹ 100/- each fully paid up for a period from April 01, 2019 up to the approved varied date of redemption i.e. March 12, 2020 (being 7.58%). The total outgo on account of preference dividend inclusive of taxes, for FY 2019-20 is ₹ 70.68 lakhs.

5. CAPITAL STRUCTURE

The Authorised Share Capital of the Company is ₹ 20,00,00,000/- divided into 50,00,000 number of equity shares of ₹ 10/- each and 15,00,000 number of Preference Shares of ₹ 100/- each. During the year under review there were no changes in authorized capital of the Company.

During the year, pursuant to Section 48 of the Companies Act, 2013 and consent letters received from preference shareholders approving variation of terms of issue of 8% Unlisted Cumulative Redeemable Preference shares (CRPS) of the Company by redeeming shares earlier than its due date, the Company redeemed existing 7,73,000 Preference Shares of ₹ 100/- each fully paid up along with accrued dividend till March 12, 2020.

Accordingly, the paid-up share capital of the Company reduced from ₹10,66,19,440/- divided into 29,31,944 equity shares of face value of ₹ 10/- each and 7,73,000 cumulative redeemable preference shares of ₹ 100/- each to 2,93,19,440 comprising 29,31,944 equity shares of face value of ₹ 10/- each. The Company has not issued any shares or convertible instruments during the financial year 2019-20.

6. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE COMPANY

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year to which the financial statements relate and the date of the report. There has been no change in the nature of business of the Company.

7. DIRECTORS AND KEY MANAGERIAL PERSONNEL

a. Retirement by Rotation and subsequent re-appointment:

In terms of Articles of Association of the Company and as per Section 152(6) of the Companies Act, 2013, 2/3rd of the Board of Directors is considered to be Directors liable to retire by rotation, of which 1/3rd shall retire at every Annual General Meeting and the Company shall have an option to re-appoint the retiring Director or appoint someone else in his place.



Consequently, Smt. Seema Agarwal, Joint Managing Director (DIN: 01430206), retires by rotation at the ensuing Annual General Meeting and being eligible, has offered herself for re-appointment. The Board recommended her appointment at Item No. 4 of the Notice calling 13th Annual General Meeting for consideration of the shareholders.

b. Independent Directors:

Appointment:

During the year, on the recommendation of Nomination & Remuneration Committee, Mr. Nilesh Panpaliya was appointed as an Additional Director in the category of Non-Executive Independent Director, subject to approval of the shareholders, for a term of 5 (five) consecutive years w.e.f. July 03, 2019.

Pursuant to Section 161(1) of the Companies Act, 2013, at the twelfth Annual General Meeting (AGM) held on August 19, 2019, his appointment was regularized and approved by shareholders for a term of five (5) consecutive years w.e.f. July 03, 2019 up to July 02, 2024.

Re-appointment:

Based on outcome of performance evaluation exercise, experience and contributions the following recommendations were approved:

(i) Mr. Amit Goela was re-appointed as an Independent Director at the twelfth Annual General Meeting (AGM) held on August 19, 2019 for a second term of five consecutive years w.e.f. August 09, 2019 up to August 08, 2024; and

(ii) Mr. Sushil Kapadia was re-appointed as an Independent Director at the twelfth Annual General Meeting (AGM) held on August 19, 2019 for a second term of five consecutive years w.e.f. November 11, 2018 up to November 10, 2023.

Declaration by Independent Directors:

The Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 along with rules framed there under and Regulation 16(1)(b) of the SEBI Listing Regulations. There has been no change in the circumstances affecting their status as independent directors of the Company.

c. Re-appointment of Mr. Mayank Agarwal as Whole-time Director of the Company:

On the recommendation of the Nomination & Remuneration Committee, the Board, at its meeting held on June 29, 2020 subject to the approval of the Members, approved the re-appointment and remuneration of Mr. Mayank Agarwal (DIN: 02749089) as the Whole-time Director of the Company for a period of five years with effect from August 01, 2020 to July 31, 2025. Approval of the shareholders for his re-appointment is sought at Item No. 7 of the Notice calling the 13th Annual General Meeting.

The brief resume of the directors proposed to be appointed/ re-appointed, as required to be disclosed under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is incorporated in the annexure to the notice calling 13th Annual General Meeting.



d. Key Managerial personnel:

Pursuant to the Section 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The Key Managerial Personnel of the Company as on March 31, 2020 are:

- Mr. Virender Kumar Agarwal, Chairman and Managing Director,
- Mrs. Seema Agarwal, Joint Managing Director,
- Mr. Mayank Agarwal, Whole time Director,
- Mr. Gajanan Chhawsaria, Chief Financial Officer and
- Ms. Deepa Dudani, Company Secretary & Compliance Officer.

8. BOARD MEETINGS

During the year, Six (6) Board Meetings were held. The details of Board Meetings with regard to their dates and attendance of each of the Directors thereat have been set out in the Corporate Governance Report which forms part of this Annual Report.

9. PERFORMANCE EVALUATION OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

Pursuant to the provisions of Companies Act, 2013 and Regulation 17 and Part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') read with SEBI Guidance Note dated January 5, 2017, the Board of Directors have carried out an annual evaluation of its own performance, Board Committees and individual Directors.

The performance of the Board and its Committees was evaluated by the Board after seeking inputs from all the Directors and Committee Members. Evaluation of Board is based on various aspects such as Board composition and structure, effectiveness of Board processes, Board's focus, contribution in the long term strategic planning, information and functioning, etc. Similarly, evaluation of committee is based on criteria such as structure and composition of Committees, their functioning, effectiveness of Committee meetings, etc.

The parameters for the performance evaluation of the Directors depend upon their roles and responsibilities, Director's profile and include attendance, effective participation and contribution in meetings of the Board and Committee meetings, domain knowledge, vision, strategy, execution and performance of specific duties, etc. At a separate meeting, Independent Directors evaluated the performance of Non-Independent Directors, Chairman and performance of the Board as a whole.

Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

10. DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) the Directors of the Company confirm that:

- i. in the preparation of the annual accounts for the year ended March 31, 2020 the applicable accounting standards and Schedule III of the Companies Act, 2013 have been followed and there are no material departures;
- ii. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the



state of affairs of the company at the end of the financial year March 31, 2020 and of the profit of the Company for that period;

- iii. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. the annual accounts for the year ended March 31, 2020 have been prepared on a going concern basis;
- v. proper internal financial control laid down by the Directors to be followed by the Company and that such internal financial control are adequate and operating effectively; and
- vi. proper system to ensure compliance with the provisions of all applicable laws were in place and that such systems are adequate and operating effectively.

11. BOARD COMMITTEES

During the year, the Board of the Company had total three Committees namely Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee. The details of composition and committee meetings during the year are given in the Corporate Governance Report which is a part of this Annual Report.

In compliance with and pursuant to applicability of provisions of Section 135 of the Companies Act, 2013 and rules made thereunder, for the financial year ended March 31, 2020, the Board of the Company at its meeting held on June 29, 2020 constituted Corporate Social Responsibility (CSR) Committee. The Committee comprises of the following members:

- i. Mrs. Seema Agarwal, Joint Managing Director, Chairperson.
- ii. Mr. Mayank Agarwal, Whole-time Director, Member.
- iii. Mr. Amit Goela, Independent Director, Member.

12. POLICY ON DIRECTORS' APPOINTMENT, REMUNERATION AND OTHER DETAILS

Your Company has adopted a Nomination and Remuneration Policy for the Directors, Key Managerial Personnel and Senior Management employees pursuant to the requirement of Section 178 of the Companies Act, 2013 and Listing Regulations. The salient features of the Policy are set out in the Corporate Governance Report which forms part of this Annual Report.

The said Policy of the Company, inter alia, provides that the Nomination and Remuneration Committee shall formulate the criteria for appointment of Directors on the Board of the Company and persons holding Senior Management positions in the Company, including their remuneration and other matters as provided under Section 178 of the Act and Listing Regulations. The Policy is also available on the website of the Company <http://www.suryaamba.com/investors/policies/>.

13. VIGIL MECHANISM

Pursuant to the provisions of Section 177(9) of the Companies Act, 2013, the Company has established a "Vigil Mechanism" incorporating whistle blower policy in terms of Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for employees and Directors of the Company, for expressing the genuine concerns of unethical behavior, actual or suspected fraud, leak or suspected leak of unpublished price sensitive information or violation of the codes of conduct by way of direct access to the Chairman/ Chairwoman of the Audit Committee. The Company has also provided adequate safeguards against victimization of employees and Directors who express their concerns.

The Policy on Vigil Mechanism and whistle blower policy as approved by the Board may be accessed on the Company's website at the link: <http://www.suryaamba.com/investors/policies/>.



14. EXTRACTS OF ANNUAL RETURN

The Extract of Annual Return as provided under Section 92(3) of the Companies Act, 2013, and as prescribed in Form No. MGT-9 of the rules prescribed under Chapter VII relating to Management and Administration under the Companies Act, 2013, is made available on the Company's website and can be accessed from <http://www.suryaamba.com/investors/> and also forms part of this annual report as '*Annexure I*'.

15. AUDITORS AND AUDITOR'S REPORT

a. Statutory Auditor:

Pursuant to the provisions of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, M/s S. Venkatadri & Co., Chartered Accountants (FRN: 004614S), Hyderabad, were appointed as the Statutory Auditors of the Company to hold office from the conclusion of the 8th Annual General Meeting (AGM) until the conclusion of 13th AGM.

Since, the tenure of M/s S. Venkatadri & Co., Chartered Accountants, Statutory Auditors shall conclude at the 13th AGM, the Board of Directors, after considering the recommendations of the Audit Committee has recommended the appointment of M/s. Manish N. Jain & Co, Chartered Accountants (FRN: 138430W), Nagpur as the Statutory Auditors of the Company for a period commencing from the conclusion of this Annual General Meeting till the conclusion of the 18th Annual General Meeting.

The Company has received a certificate from M/s. Manish N. Jain & Co., Chartered Accountants to the effect that the appointment, if made, would be in accordance with limits specified under the Companies Act, 2013 and as required under SEBI Regulations, they have confirmed that they hold valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

A resolution proposing their appointment, from the conclusion of this Annual General Meeting till the conclusion of the 18th Annual General Meeting of the Company, at a remuneration fixed by the Audit Committee and/or Board of Directors, is submitted at the Annual General Meeting for approval of the members. The Board recommends the appointment of M/s. Manish Jain & Co, Chartered Accountants as the Statutory Auditors, for approval of the members.

The Auditors' Report for the financial year ended March 31, 2020 on the financial statements of the Company is a part of this Annual Report.

The observations made in the Auditor's Report of M/s. S. Venkatadri & Co, Chartered Accountants, read together with relevant notes thereon, are self-explanatory and hence do not call for any comments. There is no qualification, reservation, adverse mark or disclaimer by the Statutory Auditors in their Report.

b. Cost Auditor:

The Company is maintaining the Cost Records, as specified by the Central Government under section 148(1) of Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014. The Cost Audit of the Cost and related records of the Company for the year 2019-20 was undertaken by Shri Ghanshyam Paliwal, Proprietor of M/s. G. R. Paliwal & Co., Nagpur the Cost Auditor of the Company.

The Board of Directors, on the recommendations made by the Audit Committee have re-appointed M/s. G. R. Paliwal & Co., Cost Accountants (Firm Reg. No.100058), Nagpur as Cost Auditors of the Company for the financial year 2020-21 to conduct cost audit of the accounts maintained by the Company.

The remuneration of Cost Auditors has been approved by the Board of Directors on the recommendation of Audit Committee. The requisite resolution for ratification of remuneration of Cost Auditors by members of the



Company has been set out in the Notice of ensuing annual general meeting. The Cost Auditors have certified that their appointment is within the limits of Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified from appointment within the meaning of the said Act.

c. Secretarial Auditor:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company had appointed M/s. Aarju Agrawal & Associates, Practicing Company Secretary, Nagpur, as the Secretarial Auditors of the Company for the financial year 2019-20.

The Secretarial Audit Report submitted by Mrs. Aarju Agrawal in the prescribed form MR- 3 is attached as '**Annexure II**' to this report.

Comments on Auditor's statement –

With respect to BSE's Notice vide letter no. LIST/COMP/Reg.27(2) &Reg.17to21/Jun-19/533101/157/2019-20 dated August 19, 2019 pertaining to non compliance of composition of Board as required under Regulation 17(1) of SEBI (LODR) Regulations, 2015:- Following the resignation of Mr. Manish Kumar, a small-time delay in constituting the Board was due to proposing the right candidature of Independent Director having requisite qualification, experience and competency to assure the Board's obligation. The Compliance was made and one day fine amount as sought by BSE Limited was paid immediately and no subsequent action was taken by the Exchange in this regard.

d. Internal Auditor:

Pursuant to the provisions of Section 138 of the of the Companies Act, 2013 and the Companies (Accounts) Rules, 2014, on the recommendation of the Audit Committee, the Board of Directors of the Company has appointed Miss. Shreyata Khakole, Chartered Accountant having Membership Number: 174018 to conduct the Internal Audit of the Company as per Rule 13 of the Companies (Accounts) Rules, 2014 for the financial year 2020-2021.

During the year under review the Internal Audit Report do not contain any adverse remarks or qualification on the functions and activities of the Company.

16. REPORTING OF FRAUDS BY AUDITORS

During the year under review, the Statutory Auditors, Cost Auditors and Secretarial Auditors have not reported any instances of frauds committed by the Company by its Officers or Employees, to the Audit Committee under Section 143(12) of the Companies Act, 2013, details of which needs to be mentioned in this Report.

17. DEPOSITS

During the year under review, the Company has not accepted any deposits from the public falling within the ambit of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 (including any statutory modification(s) or re- enactment(s) thereof for the time being in force).

18. RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year 2019-20 were on an arm's length basis and were in the ordinary course of business. The Company had not entered into any contracts/ arrangements / transactions with related parties which could be considered material in accordance with the



provisions of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is not applicable.

All transactions with related parties were reviewed and approved by the Audit Committee and are in accordance with the Policy on dealing with and Materiality of Related Party Transactions, formulated by the Company.

For the details of the related party transactions, please refer Note No. 30 of Notes to Accounts to the financial statements.

19. PARTICULARS OF LOAN, GUARANTEE OR INVESTMENTS UNDER SECTION 186 OF COMPANIES ACT, 2013

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

20. PARTICULARS OF EMPLOYEES

The information required under Section 197(12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are given below:

- a. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2019-20 is as follows:

Name of the Director	Designation	Ratio of Remuneration of Director to the Median remuneration
Mr. Virender Kumar Agarwal	Managing Director	30.32 times
Mrs. Seema Agarwal	Joint Managing Director	24.53 times
Mr. Mayank Agarwal	Whole-time Director	19.42 times

Note:

- ❖ The median remuneration of employees of the Company was ₹ 0.99 Lakhs.
- ❖ Independent Non-executive Directors receives only sitting fees, which are not considered above.
- ❖ Figures have been rounded off wherever necessary.

- b. The percentage increase in remuneration of each Director, Chief Financial Officer, Company Secretary in the financial year 2019-20 as follows:

Name of the Director & KMP	Designation	% increase in remuneration
Mr. Virender Kumar Agarwal	Managing Director	Nil
Mrs. Seema Agarwal	Joint Managing Director	Nil
Mr. Mayank Agarwal	Whole-time Director	Nil
Mr. Gajanan Chhawsaria	Chief Financial Officer	10.78%
Ms. Deepa Dudani	Company Secretary and Compliance Officer	20.98%



- c. The percentage increase in the median remuneration of employees in the financial year: 8.21%
- d. The number of permanent employees on the rolls of Company: 921
- e. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Average increase in remuneration is 10.65% for Employees other than Managerial Personnel. Increase in the managerial remuneration (MD, JMD, WTD) as compared to previous year- Nil.

- f. Affirmation that the remuneration is as per the remuneration policy of the Company:

Yes, it is confirmed. The Company affirms that the remuneration is as per the remuneration policy of the Company.

Details of employee remuneration as required under provisions of Section 197(12) of the Companies Act, 2013 and Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms an integral part of this annual report. The above Annexure is not being sent alongwith this annual report to the members of the Company in line with the provisions of the Act. Members who are interested in obtaining these particulars may write to the Company Secretary at cssuryaamba@gmail.com.

21. HUMAN RESOURCES

Suryaamba considers human resources to be its most valuable asset and continues to put due emphasis on appropriate human resource development for its business. Your Company constantly endeavour to invest in people and processes to improve human capital for the organization and service delivery to its customers. The employees of your Company fully identify with the Company's vision and business goals. Your Company strives to provide a healthy, conducive and competitive work environment to enable the employees excel and create new benchmarks of productivity, efficiency and customer delight.

Suryaamba always believes in maintaining mutually beneficial industrial relations and hence the industrial relations have always been smooth, cordial and trusting.

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

Energy conservation continues to be an area of major emphasis in our Company. Efforts are made to optimize the energy cost while carrying out the manufacturing operations. Pursuant to Section 134(3)(m) of the Companies Act, 2013 read with the Rule 8 of Companies (Accounts) Rules, 2014, the information on conservation of energy, technology absorption and foreign exchange earnings and outgo are stipulated below:

a. Conservation of energy:

Energy Conservation is an ongoing process in the Company. The thrust is to measure the existing system parameters and then implement improvements. Emphasis is also given to optimize the operation of various equipments which also lead to energy conservation. The Company makes continuous efforts on monitoring and effective control on utilization of energy consumption and takes immediate steps to curtail power consumption. Machine maintenance, energy efficient equipment's, replacement of energy consuming equipment's is thoroughly carried out.



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.

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 2019-20. 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:

Total Foreign Exchange used and earned in terms of actual inflows and actual outflow:

Particulars	(in lakhs)	
	2019-20	2018-19
(i) Earnings (FOB value of Exports, commission earned)	1935.13	1957.15
(ii) Outgo (CIF value of Imports and expenditure in foreign currency)	393.03	41.72

23. RISK MANAGEMENT

Risk Management is a basic key to ensure sustained profitability and stability and also forms an integral and important component of Corporate Governance. The Company has the Risk Management Policy in place which identifies elements of risk, if any, which in the opinion of the Board may threaten the existence of the Company. The objective of the Policy is to develop a 'risk intelligent' culture which drives informed decision making and builds resilience to adverse developments while ensuring that opportunities are exploited to create value for all stakeholders.

The Board / Management puts in place adequate and effective system and resources for the purposes of risk management. The Board periodically reviews the risks and suggests steps to be taken to control and mitigate the same through a properly defined framework. Suryaamba believes that a robust risk management system ensures adequate control and monitoring mechanism for a smooth and efficient running of the business. A risk-aware organization is better equipped to maximize the shareholder's value. The Company's future growth is linked to general economic conditions prevailing in the market.

The details of the Financial Risk Management, its objectives and policies are set out in Note 29C to the Financial Statements of the Company.

24. INTERNAL FINANCIAL CONTROLS

The Company's internal control systems are supplemented by an extensive internal audit program conducted by an independent professional agency. The internal control system is designed and exercised to ensure that all financial and other records are reliable for preparing financial statements, maintaining accountability of assets and in compliance with various policies, practices and statutes, and that all assets are safeguarded



and protected against loss from unauthorised use or disposition and that those transactions are authorised, recorded and reported correctly.

The Company has sound internal financial controls commensurate to the size and nature of its business. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board for their review and during the year no material weaknesses in controls were observed.

25. SIGNIFICANT OR MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

Pursuant to the requirement of Section 134(3)(q) of the Companies Act, 2013 read with Rule 8(5)(vii) of the Companies (Accounts) Rules, 2014, it is confirmed that during FY 2019-20 there were no significant or material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and your Company's operations in future.

26. POLICY ON SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

Your Directors stated that the Company follows an Anti- Sexual Harassment Policy in line with the requirements of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 also an internal complaints committee has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary and trainees) are covered under this policy. No complaints pertaining to sexual harassment were received during FY 2019-20.

27. CORPORATE SOCIAL RESPONSIBILITY (CSR)

Pursuant to the provisions of Section 135 of the Companies Act, 2013 read with rules made there under, for the year ended March 31, 2020, the Company is not covered under the purview of criteria for CSR eligibility.

Whereas considering the financial statements for financial year ended March 31, 2020, the Company for the financial year 2020-2021 falls within the ambit of eligibility criteria for CSR. In compliance with applicable provisions, the Board at its meeting held on June 29, 2020 constituted a Corporate Social Responsibility (CSR) Committee comprising members mentioned at point no. 11 of this report. The Committee's prime responsibility is to assist the Board in discharging its social responsibilities by way of formulating and monitoring implementation of the objective of 'Corporate Social Responsibility Policy'.

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, environment and community welfare, etc. 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.

28. MANAGEMENT DISCUSSION AND ANALYSIS AND CORPORATE GOVERNANCE REPORT

The Management Discussion and Analysis Report and the Report on Corporate Governance, as required under the Listing Regulations, forms part of the Annual Report.

29. OTHER DISCLOSURES

- a. The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2).
- b. 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.

- c. During the year under review, India Ratings & Research have affirmed the Company Credit Rating 'IND BBB', specified in detail in the Corporate Governance Report.
- d. The Company neither has any subsidiary, joint venture nor any associate company.
- e. The Company does not have any scheme or provision of money for the purchase of its own shares by employees/ Directors or by trustees for the benefit of employees/ Directors; and
- f. During the year under review, the Company has not issued equity shares with differential rights as to dividend, voting or otherwise.

APPRECIATION & ACKNOWLEDGMENT

The Board of Directors place on record sincere gratitude and appreciation for all the employees at all levels for their hard work, solidarity, cooperation and dedication during the year. The hard work and unstinting efforts of the employees have enabled the Company to sustain and further consolidate its position in the industry.

They also take this opportunity to express their deep appreciation for sincere assistance and co-operation received from its customers, shareholders, suppliers as well as vendors, bankers, business associates, regulatory and government authorities for their continued support. It will be the Company's endeavour to build and nurture these strong links with its stakeholders.

Your Directors regret the loss due to COVID-19 pandemic and hope for your good health and safety and are deeply grateful and have immense respect for every person who risked their life and safety to fight this pandemic.

By Order of the Board of Directors

Place: Nagpur
Date : June 29, 2020

Virender Kumar Agarwal
Managing Director
DIN : 00013314

Seema Agarwal
Joint Managing Director
DIN : 01430206



ANNEXURE I

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

AS ON THE FINANCIAL YEAR ENDED MARCH 31, 2020

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

I. REGISTRATION AND OTHER DETAILS:

1.	CIN	L18100TG2007PLC053831
2.	Registration Date	05-May-2007
3.	Name of the Company	Suryaamba Spinning Mills Limited
4.	Category/Sub category of the Company	Public Company/Limited by Shares Indian Non-Government Company
5.	Address of the Registered office & contact details	1 st Floor, Surya Towers, 105, SP Road, Secunderabad, Telangana, 500003. Tel. No. 040-27813360 Email: samba.ngp@gmail.com Website: www.suryaamba.com
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	KFin Technologies Private Limited (Formerly known as "Karvy Fintech Private Limited") Karvy Selenium Tower B, Plot No.31 & 32, Financial District, Gachibowli, Nanakaramguda, 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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1.	Preparation and Spinning of Synthetic Yarn	13114	99.423%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

The Company does not have any subsidiary, joint venture or associate companies.



IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

A) Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-Apr-2019]				No. of Shares held at the end of the year [As on 31-March-2020]				% Change during the year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
A. PROMOTERS									
(1) Indian									
Individual/ HUF	2163327	100	2163427	73.79	2176866	100	2176966	74.25	0.46
Central Govt.	-	-	-	-	-	-	-	-	-
State Govt.(s)	-	-	-	-	-	-	-	-	-
Bodies Corp.	-	-	-	-	-	-	-	-	-
Banks / FI	-	-	-	-	-	-	-	-	-
Any other	-	-	-	-	-	-	-	-	-
Sub-Total (A)(1)	2163327	100	2163427	73.79	2176866	100	2176966	74.25	0.46
(2) Foreign									
NRI Individuals	-	-	-	-	-	-	-	-	-
Other-Individuals	-	-	-	-	-	-	-	-	-
Bodies Corporate	-	-	-	-	-	-	-	-	-
Banks/FI	-	-	-	-	-	-	-	-	-
Any other	-	-	-	-	-	-	-	-	-
Sub-Total (A)(2)	-	-	-	-	-	-	-	-	-
Total holding of Promoters(A)= (A)(1)+(A)(2)	2163327	100	2163427	73.79	2176866	100	2176966	74.25	0.46

B. PUBLIC SHAREHOLDING

1. Institutions

Mutual Funds	64	0	64	0.00	64	0	64	0.00	-
Banks / FI	210	660	870	0.03	210	600	810	0.03	-
Central Govt.	-	-	-	-	-	-	-	-	-
State Govt.(s)	-	-	-	-	-	-	-	-	-



Venture Capital Funds	-	-	-	-	-	-	-	-	-
Insurance Companies	-	-	-	-	-	-	-	-	-
FII's	-	-	-	-	-	-	-	-	-
Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	274	660	934	0.03	274	600	874	0.03	-

2. Non-Institutions

Bodies Corp.									
i) Indian	18522	1273	19795	0.68	10481	268	10749	0.37	(0.31)
ii) Overseas	-	-	-	-	-	-	-	-	-
iii) Individuals									
Holding nominal share capital up to ₹ 1 lakh	474449	54377	528826	18.04	459824	30391	490215	16.72	(1.32)
Holding nominal share capital in excess of ₹ 1 lakh	202674	0	202674	6.91	211039	0	211039	7.20	0.29
Others:									
NBFCs registered with RBI	4000	0	4000	0.14	0	0	0	0	(0.14)
Non Resident Indians	8557	0	8557	0.29	12894	0	12894	0.44	0.15
Clearing Members	3000	0	3000	0.10	1500	0	1500	0.05	(0.05)
Individual NRI- Rep.- Non Repatriable	731	0	731	0.02	2611	0	2611	0.09	0.06
I E P F	0	0	0	0	25096	0	25096	0.86	0.86
Sub-total (B)(2):-	711933	55650	767583	26.18	723445	30659	754104	25.72	(0.46)
Total Public shareholding (B)=(B)(1)+ (B)(2)	712207	56310	768517	26.21	723719	31259	754978	25.75	(0.46)
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	2875534	56410	2931944	100.00	2900585	31359	2931944	100.00	-


B) Shareholding of Promoters:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change during the year
		No. of Shares	% of total shares of the Company	% of Shares Pledged/encumbered to total share	No. of Shares	% of total shares of the Company	% of Shares Pledged/encumbered to total share	
1.	Virender Kumar Agarwal	1206191	41.14	16.98	1206191	41.14	16.98	-
2.	Seema Agarwal	642250	21.91	-	642250	21.91	-	-
3.	Mayank Agarwal	270997	9.24	-	270997	9.24	-	-
4.	Pujit Agarwal	28251	0.96	-	41790	1.43	-	0.46
5.	Virender Kumar Agarwal HUF	14640	0.50	-	14640	0.50	-	-
6.	Vithaldas Agarwal	998	0.03	-	998	0.03	-	-
7.	Ravinder Kumar Agarwal	100	0.00	-	100	0.00	-	-
	TOTAL	2163427	73.79	-	2176966	74.25	-	0.46

C) Change in Promoters' Shareholding: (please specify, if there is no change)

S N	Shareholder's Name	Shareholding at the beginning & end of the year		Date wise increase/decrease in the shareholding	No. of Shares increase/decrease	Reason for increase/decrease in the shareholding	Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
1.	Pujit Agarwal							
	As on 01-04-2019	28251	0.96	06.06.2019	1290	Purchase	29541	1.01
				19.09.2019	3100	Purchase	32641	1.11
				27.09.2019	2208	Purchase	34849	1.19
				10.12.2019	55	Purchase	34904	1.19
				11.12.2019	261	Purchase	35165	1.20
				17.12.2019	95	Purchase	35260	1.20
				19.12.2019	707	Purchase	35967	1.23
				18.02.2020	1573	Purchase	37540	1.28
				25.02.2020	159	Purchase	37699	1.29
				26.02.2020	70	Purchase	37769	1.29
				02.03.2020	557	Purchase	38326	1.31
				03.03.2020	500	Purchase	38826	1.32
				04.03.2020	271	Purchase	39097	1.33
				06.03.2020	1300	Purchase	40397	1.38
				09.03.2020	800	Purchase	41197	1.41
				11.03.2020	593	Purchase	41790	1.43
	As on 31-03-2020	41790	1.43					


D) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs):-

S N	Shareholder's Name	Shareholding at the beginning & end of the year		Date wise increase/ decrease in the shareholding	No. of Shares increase/ decrease	Reason for increase/ decrease in the shareholding	Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
1.	Sangeetha S	0	0.00	08.11.2019	50380	Transfer	50380	1.72
As at end of the year 31-03-2020							50380	1.72
2.	Gautam M Mehta(HUF)	33000	1.13	23.08.2019	826	Sale	32174	1.09
				30.08.2019	1174	Sale	31000	1.05
				06.09.2019	501	Sale	30499	1.04
				20.09.2019	499	Sale	30000	1.02
As at end of the year 31-03-2020							30000	1.02
3.	Satya Prakash Mittal	23559	0.80	-	-	-	23559	0.80
4.	Anil Kumar	21000	0.72	-	-	-	21000	0.72
5.	Vinodchandra M. Parekh	17396	0.59	-	-	-	17396	0.59
6.	Bhavsar Usha	12600	0.43	07.06.2019	1000	Purchase	13600	0.46
As at end of the year 31-03-2020							13600	0.46
7.	Shaunak Jagdish Shah	12389	0.42	-	-	-	12389	0.42
8.	Atul Arya	0	0.00	05.04.2019	470	Purchase	470	0.02
				19.04.2019	290	Purchase	760	0.03
				14.06.2019	5000	Purchase	5760	0.20
				14.02.2020	500	Purchase	6260	0.21
				13.03.2020	4617	Purchase	10877	0.37
				31.03.2020	182	Purchase	11059	0.38
As at end of the year 31-03-2020							11059	0.38
9.	Avinash Gupta	11000	0.38	-	-	-	11000	0.38
10.	Mahendra Girdharilal	162	0.01	10.05.2019	1600	Purchase	1762	0.06
				17.05.2019	3079	Purchase	4841	0.17
				24.05.2019	615	Purchase	5456	0.19
				31.05.2019	2400	Purchase	7856	0.27
				10.01.2020	1500	Purchase	9356	0.32
				17.01.2020	100	Purchase	9456	0.32
				31.03.2020	1000	Purchase	10456	0.36
As at end of the year 31-03-2020							10456	0.36



E) Shareholding of Directors and Key Managerial Personnel:

None of the other Directors or KMP, except as given below holds any shares of the Company.

Sr. No.	Name of the Directors	No. of Shares at the beginning of the year	% of total shares of the Company	No. of Shares at the end of the year	% of total shares of the Company
1.	Virender Kumar Agarwal	1206191	41.14	1206191	41.14
2.	Seema Agarwal	642250	21.91	642250	21.91
3.	Mayank Agarwal	270997	9.24	270997	9.24

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding /accrued but not due for payment. (in lakhs)

Particulars	Secured Loans (excluding deposits)	Unsecured Loans	Deposit	Total Indebtedness
At the beginning of the financial Year				
(i) Principal Amount	2982.07	502.38	-	3484.46
(ii) Interest due but not paid	14.32	10.22	-	24.54
(iii) Interest accrued but not due	-	-	-	-
TOTAL(i+ii+iii)	2996.39	512.60	-	3509.00
Change during the financial Year				
Addition	533.13	932.07	-	1,465.20
Reduction	873.26	142.44	-	1015.70
Net Change	(340.13)	789.63	-	449.50
At the end of the financial Year				
(i) Principal Amount	2634.83	1295.38	-	3930.21
(ii) Interest due but not paid	21.43	6.85	-	28.28
(iii) Interest accrued but not due	-	-	-	-
TOTAL (i+ii+iii)	2656.26	1302.23	-	3,958.49

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(in lakhs)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount
		Mr. Virender Kumar Agarwal	Mrs. Seema Agarwal	Mr. Mayank Agarwal	
1.	Gross Salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961.	16.80	14.40	11.40	42.60
	(b) Value of Perquisites u/s 17(2) Income Tax Act, 1961.	11.20	8.16	6.46	25.82
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961.	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit	-	-	-	-



	- others	-	-	-	-
5.	Others, please specify	-	-	-	-
	Contribution to Provident Fund	2.02	1.73	1.37	5.12
6.	Total Amount	30.02	24.29	19.23	73.54
	Ceiling as per the Act	₹ 84 lakhs (Pursuant to Section II of Part II of Schedule V of the Act.)			

B. Remuneration to other Directors:

(in lakhs)

Sr. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Independent Non-executive Directors			
		Mr. Amit Goela	Mr. Sushil Kapadia	Mr. Nilesh Panpaliya	
1.	Fee for attending Board/ Committee Meetings	0.15	0.15	0.05	0.35
2.	Commission	-	-	-	-
3.	Total Amount	0.15	0.15	0.05	0.35

Ceiling as per the Act ₹ One lakh per meeting of the Board or committee thereof.

The above excludes conveyance and out of pocket expenses.

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

(in lakhs)

Sr. No.	Particulars of Remuneration	Name of KMP		Total Amount
		Mr. Gajanan Chhawsaria Chief Financial Officer	Ms. Deepa Dudani Company Secretary	
1.	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961.	9.60	1.99	11.59
	(b) Value of Perquisites u/s 17(2) Income Tax Act, 1961.	4.76	1.21	5.97
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961.	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit	-	-	-
	- others	-	-	-
5.	Others, please specify	-	-	-
	Contribution to Provident Fund	1.16	0.26	1.42
6.	Total Amount	15.52	3.46	18.98

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

There were no penalties / punishment / compounding of offences for breach of any section of Companies Act, 2013 against the Company or its Directors or other Officers in default, if any, during the year.

By Order of the Board of Directors

Place: Nagpur
Date : June 29, 2020

Virender Kumar Agarwal
Managing Director
DIN : 00013314

Seema Agarwal
Joint Managing Director
DIN : 01430206

**ANNEXURE II****FORM NO. MR-3
SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020****[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, 1st Floor,

105, Sardar Patel Road,

Secunderabad-500 003,

Telangana, 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 and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit. I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2020 ('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 maintained by the Company for the financial year ended on March 31, 2020 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;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder in respect of Foreign Direct Investment;
- (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 - **Not applicable to the Company during the audit period;**
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 - **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 - **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 - **Not applicable;**
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - **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 :
- Textiles (Development & Regulation) Order, 2001;
 - Textiles (Consumer Protection) Regulation, 1988;
 - Technology Up-gradation Fund Scheme;
 - Foreign Trade Policy 2015-2020;
 - Hank Yarn notification issued under Essential Commodities Act, 1955.
 - 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.;
 - Acts as prescribed under Direct Tax and Indirect Tax
 - Industries (Development & Regulation) Act, 1951
 - The Maternity Benefit Act, 1961
 - The payment of Gratuity Act, 1972
 - The Workmen's Compensation Act, 1923
 - The Equal Remuneration Act, 1976
 - The Minimum Wages Act, 1948
 - The Payment of Bonus Act, 1965
 - The Payment of Wages Act, 1936
 - The Factories Act, 1948
 - The Apprentices Act, 1961
 - The Contract Labour (Regulation & Abolition) Act, 1970
 - The Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959
 - The Industrial Dispute Act
 - The Industrial Employment (Standing Orders) Act, 1946
 - The Water (Prevention and Control of pollution) Act, 1974
 - The Air (Prevention & Control of Pollution) Act, 1981,
 - Environment (Protection) Act, 1985 and rules issued thereunder
 - The Noise Pollution (Regulation and control) Rules, 2000;
 - Hazardous Waste (Management, Handling and Transboundary Movement) Rules, 2008
 - Maharashtra Shops and Establishments Act, 1948
 - Maharashtra Sales Tax on Professions, Trade, Callings and Employments Act, 1975
 - Andhra Pradesh Shops and Establishments Act, 1988
 - Information Technology Act, 2000
 - The Public Liability Insurance Act, 1991
 - Foreign Exchange Management Act, 1999 and its regulations
 - Maharashtra Labour Welfare Act, 1948
 - Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013



- The Sales Promotion Employees (Condition of Service) Act, 1976
- 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 General Meetings, Board of Directors and Committee Meetings viz: Audit Committee, Nomination and Remuneration Committee (NRC) and Stakeholders Relationship Committee (SRC); and
- (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 and as per the representations and clarifications made by the management, the Company has generally complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations;

- *The Company has received Notice from the BSE Limited, Mumbai regarding Non-compliance with the requirements pertaining to the composition of the Board including failure to appoint woman director under Regulation 17(1) of SEBI (LODR) Regulations, 2015 BSE vide BSE letter no. LIST/COMP/ Reg. 27(2) & Reg. 17 to 21/Jun-19/533101/ 157/2019-20 dated August 19, 2019. However, the Company rectified the non compliance and paid fine of Rs. 5,900/- as imposed by the Exchange on August 28, 2019 i.e., within prescribed time as stated in BSE Letter.*
- *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 which have been filed with the additional fees required pursuant to provisions of Companies Act, 2013 and rules made thereunder.*

On account of pandemic “COVID 2019” and nationwide lockdown imposed by governments, the audit process has been modified, where in certain documents/records etc were verified in electronic mode, and have relied on the representations received from the Company for its accuracy and authenticity.

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. However, the changes in the composition of the Board of Directors took place as mentioned hereunder during the period under review were carried out in compliance with the provisions of the Companies Act, 2013.

- *Mr. Manish Kumar (DIN: 07096129) resigned from the post of Independent Director of the Company with effect from March 30, 2019 and his resignation was accepted and noted by the Board of Directors on April 5, 2019, having effect from March 30, 2019.*
- *Subsequently, Mr. Nilesh Panpaliya (DIN: 08499844) has been appointed as an additional director and designated as Independent Director by the Board of Directors dated on July 3, 2019 and his appointment as an Independent Non-Executive Director to hold office for a term of Five (5) consecutive years till July 2, 2024 has been approved and regularized by the members at the 12th Annual General Meeting (AGM) held on August 19, 2019.*

Adequate notice, agenda and detailed notes have been given to all directors to schedule the Board Meetings at least seven days in advance for meetings other than those held in shorter notice and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.



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, based on the information provided and the representation made by the Company and its officer also on the review of the compliance certificates/reports taken on record by the Board of Directors of the Company, in my opinion, 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.

I further report that, during the audit period, the Company has redeemed 5,50,000 8% unlisted cumulative redeemable preference shares and 2,23,000 8% unlisted cumulative redeemable preference shares of Rs. 100/- each aggregating to Rs. 7,73,00,000/- (Rupees Seven Crore Seventy Three Lakhs Only), allotted on July 18, 2011 and March 20, 2012 respectively, be redeemed earlier than the due date at par out of the profit of the Company on March 12, 2020 and except the above there were no other specific events/actions having a major bearing on the company's affairs in pursuance of the above referred laws, regulations, guidelines, standards etc.

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

**Place: Nagpur
Date: June 29, 2020**

**CS Aarju Agrawal
ACS No: A42507
COP No: 15770
UDIN: A042507B000407993**

Encl. Annexure-I

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



ANNEXURE - I

To,
The Members,
SURYAAMBA SPINNING MILLS LIMITED
CIN: - L18100TG2007PLC053831
Surya Towers, 1st 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 our 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 our 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. We have relied up on the information provided by the Management with respect to related party transactions for its compliance.

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

**Place: Nagpur
Date: June 29, 2020**

**CS Aarju Agrawal
ACS No: A42507
COP No: 15770
UDIN: A042507B000407993**



CORPORATE GOVERNANCE REPORT

1. CORPORATE GOVERNANCE

1.1 Introduction:

A Report on compliance with the principles of Corporate Governance as prescribed by the Securities and Exchange Board of India (SEBI) in terms of Regulation 34 read with Chapter IV and Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given below.

1.2 Company's Philosophy on Code of Governance:

Corporate governance is a systematic process driven by ethical conduct of the business and affairs of an organization aimed at promoting sustainable business and enhancing shareholder value in the long term. As a good corporate citizen, Suryaamba's philosophy on Corporate Governance ensures transparency in all dealings and in the functioning of the management and the Board, enhancing a valuable relationship and trust with all stakeholders, thereby paving the way for long term success.

Your Company considers stakeholders as partners in success, and envisages commitment to maximize stakeholders' value, be it shareholders, employees, suppliers, customers, investors, communities, regulators or policy makers. This approach to value creation emanates from Company's belief that sound governance system, based on relationship and trust, is integral to creating enduring value for all. We have a defined policy framework for ethical conduct of businesses.

Your Company firmly believes on the six core values: customer value, ownership mindset, respect, integrity, one team and excellence for sustained and ethical business conduct. The Company is committed to meet the expectations of stakeholders as a responsible corporate citizen. Suryaamba recognises that effective Corporate Governance practices constitute a strong foundation on which successful commercial enterprises are built to last. Good Corporate Governance is indispensable to resilient and vibrant capital markets and is, therefore, an important instrument of investor protection.

Your Company is in compliance with the requirements stipulated under the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), with regards to corporate governance.

2. BOARD OF DIRECTORS

2.1 Composition and Category of Directors:

The Board of Directors is entrusted with an ultimate responsibility of the management and along with its Committees provides leadership and guidance to the Company and directs, supervises and controls the performance of the Company. Further, the Board of Directors of the Company is totally committed to the best practices for effective Corporate Governance, thus ensuring that the Company adheres to ethics, transparency and disclosures.

The Board comprises of an optimum combination of three executive and three non-executive directors including a woman director, which is in conformity with the requirements of SEBI (Listing Obligations Disclosure Requirements) Regulations, 2015 ('LODR or Listing Regulations').

The composition and category of the Board of Directors of the Company mentioned as under:



Executive Directors:		Non-Executive Directors:	
a. Promoter Group	Mr. Virender Kumar Agarwal, Chairman & Managing Director	a. Non Promoter Group	Mr. Amit Goela, Independent Director
	Mrs. Seema Agarwal, Joint Managing Director		Mr. Sushil Kapadia, Independent Director
	Mr. Mayank Agarwal, Whole Time Director		Mr. Nilesh Panpaliya, Independent Director

2.2 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.

Board Meetings held during the year:

During the financial year 2019-20, the Board met six (6) times on May 03, 2019, May 30, 2019, July 22, 2019, August 12, 2019, November 14, 2019 and February 14, 2020. The maximum time gap between the two Board Meetings was not more than one hundred twenty (120) days as prescribed under the Companies Act, 2013 and the Listing Regulations.

2.3 Attendance of the Directors at the Board Meetings during the year and at last Annual General Meeting of the Company and also the number of other Directorship/Chairmanship in Indian Public Limited Companies and names of other Listed Entities where the person is director and category of directorship therein are as follows:-

Name of the Director	No. of Board meetings attended	Attendance at last AGM held on 19.08.2019	Total No. of Directorships in other Listed Companies	Names of other Listed Entities where the person is director	Category of Directorship in other listed entities	Total No. of committee positions in other listed entities	
						Chairperson	Member
Mr. Virender Agarwal	6	Present	-	-	-	-	-
Mrs. Seema Agarwal	6	Present	-	-	-	-	-
Mr. Mayank Agarwal	6	Present	-	-	-	-	-
Mr. Amit Goela	5	Present	1	Multi Commodity Exchange of India Limited	Non-Executive Non Independent Director	-	1
Mr. Sushil Kapadia	5	Leave sought	-	-	-	-	-
Mr. Nilesh Panpaliya*	2	Leave sought	-	-	-	-	-

* Mr. Nilesh Panpaliya appointed as Non-Executive Independent Director w.e.f July 03, 2019.

**Notes:**

- ❖ Directorship does not include Directorships/ Chairpersonships in Associations, Private Limited Companies which are not subsidiaries to Public Companies, Foreign Companies, Government Bodies, Companies registered under Section 8 of the Act and Alternate Directorships.
- ❖ Only Audit Committee and Stakeholders Relationship Committee of Indian Public Companies have been considered for committee positions.
- ❖ None of the Directors on the Board holds directorships in more than ten public companies.
- ❖ None of the directors were members in more than 10 committees and had not held Chairmanship in more than five committees across all companies in which he/she was a director as on March 31, 2020.

2.4 Relationship between Directors 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:

Sr. 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.

2.5 Non-executive Directors shareholding:

None of the Non-executive Independent Directors of the Company hold any shares in the Company during the financial year ended March 31, 2020. The Company has not issued any convertible instruments.

2.6 Independent Directors:

The Independent Directors have confirmed that they meet the criteria of independence laid down under the Section 149(6) Companies Act, 2013 and Regulation 16 (1) (b) of the Listing Regulations.

As per Regulation 17A of the Listing Regulations, Independent Directors of the Company do not serve as Independent Director in more than seven listed companies. Further, the Managing Director and Whole Time Director of the Company does not serve as an Independent Director in any other listed entity.

Terms and conditions of appointment of Independent Directors:

The terms and conditions of appointment of Independent Directors have been disclosed on the website of the Company- <http://www.suryaamba.com/investors/appointment-resignation-of-kmps/>.

Separate Meeting of Independent Directors:

Independent Directors of the Company met separately on February 14, 2020 without the presence of Non-Independent Directors and members of Management. In accordance with the Listing Regulations, following matters were, inter alia, reviewed and discussed in the meeting:



- Performance of Non-Independent Directors and the Board of Directors as a whole.
- Performance of the Chairman of the Company taking into consideration the views of Executive and Non-Executive Directors.
- Assessment of the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Familiarization program for Independent Directors:

The Company familiarizes Independent Directors through various programs to enable them to be familiar with the Company, its Management and its operations so as to gain a clear understanding of their roles, rights and responsibilities for the purpose of contributing significantly towards the growth of the Company.

Any new Director who joins the Board is presented with a brief background of the Company, its operations and is informed of the important codes and policies of the Company. The Directors are provided with necessary documents/brochures, reports and internal policies to enable them to familiarize themselves with the Company's procedures and practices.

The details of the familiarization program of the Independent Directors are available on the website of the Company at the link: <http://www.suryaamba.com/investors/policies/>

Performance evaluation criteria for Independent Directors:

The performance evaluation of the Independent Directors was carried out by the entire Board, excluding the Independent Director being evaluated.

The criteria for performance evaluation are as follows:

Role & Accountability:

- Understanding the nature and role of Independent Directors' position.
- Understanding of risks associated with the business.
- Application of knowledge for rendering advice to management for resolution of business issues.
- Active engagement with the management and attentiveness to progress of decisions taken.

Objectivity:

- Addressing the relevant issues of Company and impartial appraisal of issues.
- Own recommendations given professionally without tending to majority or popular views.

Leadership & Initiative:

- Heading Board Sub-committees.
- Driving any function or identified initiative based on domain knowledge and experience.

Personal Attributes:

- Commitment to role & fiduciary responsibilities as a Board member.
- Attendance and active participation.
- Proactive, strategic and lateral thinking
- Relevant Knowledge, Expertise and Experience.
- Professional Conduct, Ethics and Integrity.



2.7 Core Skills/ Expertise/ Competence of the Board of Directors:

Given below is the chart setting out the skills/ expertise/ competence of the Board of Directors that allow them to make effective contributions to the Board and its Committees.

Sr. No.	Name of the Director	Key Skill Area / Expertise
1.	Mr. Virender Agarwal	An industrialist with expertise of over three decades in business management for textile industry. He is actively involved in strategic planning and possess instinctive knowledge of market trends of textile industry.
2.	Mrs. Seema Agarwal	She possess deep knowledge and understanding of business management and supervises the administrative, internal management affairs of the Company.
3.	Mr. Mayank Agarwal	An entrepreneur with strong leadership, communication and management skills. His understanding of market, planning and strategizing decisions for the company have helped elevating business opportunities. He also provides his intellect in corporate compliances, financial and technical matters.
4.	Mr. Amit Goela	Possess extensive cross-functional expertise in Corporate Strategy and Planning, Finance, Research, Stock & Share Market.
5.	Mr. Sushil Kapadia	An entrepreneur with years of experience in business management. He also possess knowledge in marketing and commercial matters.
6.	Mr. Nilesh Panpaliya	A financial expert with vast knowledge in finance Merchant Banking and Management Consultancy Services.

2.8 Confirmation from the Board:

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the Listing Regulations.

The Board of Directors be and hereby confirm that in the opinion of the Board, the Independent Directors fulfill the conditions specified by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and they are independent of the management.

2.9 None of the Independent Director has resigned from the Directorship of the Company before the expiry of their term of appointment during the financial year ended March 31, 2020.

3. BOARD COMMITTEES

The Board of Directors have constituted Board Committees to deal with specific areas and activities which concern the Company and requires a closer review. The Board Committees are formed with approval of the Board and function under their respective Charters. These Committees play an important role in the overall Management of day-to-day affairs and governance of the Company. The Board Committees meet at regular intervals and take necessary steps to perform its duties entrusted by the Board. During the year, the Company has 3 Board Level Committees:



1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders' Relationship Committee

3.1 AUDIT COMMITTEE

The powers, role and terms of reference of the Audit Committee covers the areas as contemplated under Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Section 177 of the Companies Act, 2013, as applicable along with other terms as referred by the Board of Directors.

Terms of reference:

- a. Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- b. Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
- c. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- d. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - changes, if any, in accounting policies and practices and reasons for the same;
 - major accounting entries involving estimates based on the exercise of judgment by management;
 - significant adjustments made in the financial statements arising out of audit findings;
 - compliance with listing and other legal requirements relating to financial statements;
 - disclosure of any related party transactions;
 - modified opinion(s) in the draft audit report;
- e. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- f. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- g. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- h. Approval or any subsequent modification of transactions of the listed entity with related parties;
- i. Scrutiny of inter-corporate loans and investments;
- j. Valuation of undertakings or assets of the listed entity, wherever it is necessary;
- k. Evaluation of internal financial controls and risk management systems;
- l. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- m. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- n. Discussion with internal auditors of any significant findings and follow up there on;
- o. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- p. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;



- q. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- r. To review the functioning of the whistle blower mechanism;
- s. Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- t. Authority to review / investigate into any matter covered by Section 177 of the Companies Act, 2013 and matters specified in Part C of Schedule II of the Listing Regulations.

Further, the Audit committee is empowered to investigate any activity within its terms of reference, seek information it requires from any employee, obtain outside legal or other Independent professional advice and secure attendance of outsiders with relevant expertise, if considered necessary. Apart from the above, the Audit Committee also exercises the role and powers entrusted upon it by the Board of Directors from time to time.

Composition, Meetings and Attendance during the year:

As on March 31, 2020, the Audit Committee comprises of members as stated below in the table. The composition of the Committee is in conformity with the Listing Regulations and provisions of Companies Act, 2013.

During the financial year 2019-20, the Audit Committee met four (4) times on May 30, 2019, August 12, 2019, November 14, 2019 and February 14, 2020. The time gap between any two meetings was less than one hundred and twenty days.

The details of attendance of members and composition are as under:

Name of the Member	Category	Designation	No. of Meetings	
			Held	Attended
Mr. Amit Goela	Non-Executive, Independent Director	Chairman	4	4
Mrs. Seema Agarwal	Executive Director	Member	4	4
Mr. Sushil Kapadia	Non-Executive, Independent Director	Member	4	4

The members of the Committee are financially literate and possess relevant accounting expertise and exposure. The Company Secretary of the Company acts as the Secretary to the Committee.

3.2 NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee of the Company is constituted in line with the provisions of Regulation 19 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 read with Section 178 of the Companies Act, 2013.

Terms of reference:

The roles and responsibilities of the Committee include the following:

- a. Formulate the criteria for determining qualifications, positive attributes and independence of a Director.
- b. Identifying persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board their appointment and removal.
- c. Specify methodology or criteria for evaluation of Director / Board / Committees performance and to carry out the evaluation of every Director's performance.
- d. Devising a policy on Board diversity.
- e. Recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.



- f. Deciding whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.
- g. Recommend to the board, the remuneration of the Directors, Key Managerial Personnel and other employees and in whatever form payable to senior management.
- h. Undertake any other matters as the Board may decide from time to time.
- i. The remuneration Policy is directed towards rewarding performance, based on review of achievements periodically and is in consonance with the existing industry practice. The key factors considered in formulating the remuneration under Policy are as under:
 - i. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors to run the Company successfully;
 - ii. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - iii. Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.
- j. Such other terms as may be required under the Companies Act, 2013 or the Listing Regulations.

Composition, Meetings and Attendance during the year:

As on March 31, 2020 the Nomination and Remuneration Committee comprises of members as stated below in the table. The composition of the Committee is in conformity with the Listing Regulations, with all Directors being Non-Executives and Independent Directors. Chairman of the Committee is an Independent Director. The Company Secretary of the Company acts as the Secretary to the Committee.

During the financial year 2019-20, the Nomination and Remuneration Committee met one time on July 22, 2019.

The detail of attendance of the members is as under:

Name of the Member	Category	Designation	No. of Meetings	
			Held	Attended
Mr. Amit Goela	Non-Executive, Independent Director	Chairman	1	1
Mr. Sushil Kapadia	Non-Executive, Independent Director	Member	1	1
Mr. Nilesh Panpaliya#	Non-Executive, Independent Director	Member	1	1

Appointed as a Member of the Committee w.e.f from July 03, 2019.

Remuneration of Directors:

(i) Executive Directors:

The Company pays remuneration to Executive Directors i.e. Chairman and Managing Director, Joint Managing Director and Whole time Director as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors and the Members of the Company in the General Meeting. 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.



(ii) Non-Executive Directors:

Non-Executive Independent Directors were only paid sitting fees for attending Board and Board Committee meetings for the FY 2019-20.

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 2019-20 is as given below:

(₹ in lakhs)

Name of the Director	Salary & Perquisites	Contribution to PF	Sitting Fees [^]	Commission	Total	No. of shares held
Mr. Virender Agarwal	28.00	2.02	-	-	30.02	1206191
Mrs. Seema Agarwal	22.56	1.73	-	-	24.29	642250
Mr. Mayank Agarwal	17.86	1.37	-	-	19.23	270997
Mr. Amit Goela	-	-	0.15	-	0.15	-
Mr. Sushil Kapadia	-	-	0.15	-	0.15	-
Mr. Nilesh Panpaliya*	-	-	0.05	-	0.05	-

[^]The above excludes conveyance and out of pocket expenses.

* Appointed as Non Executive Independent Director of the Company w.e.f July 03, 2019.

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/>

3.3 STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee of the Company is constituted in line with the provisions of Regulation 20 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 read with Section 178 of the Companies Act, 2013.

Terms of Reference:

The role of the Committee has been enhanced in accordance with amendments in the Listing Regulations. The Stakeholders Relationship Committee is responsible for the satisfactory redressal of investor complaints and recommends measures for overall improvement in the quality of investor services and performs the following functions:

- Monitor and resolve the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.
- Perform such other functions as may be required under the Companies Act, 2013 or Listing Regulations or as may be necessary or appropriate for the performance of its duties.



Composition, Meetings and Attendance during the year:

As on March 31, 2020 the Stakeholders' Relationship Committee consists of members named in the table below which comprise of 2 Independent Directors and 1 Executive Director, with Mr. Amit Goela, Non-Executive and Independent Director heading the committee. Ms. Deepa Dudani, Company Secretary of the Company is the Compliance Officer.

During the financial year 2019-20, the Stakeholders' Relationship Committee met four (4) times on May 30, 2019, August 12, 2019, November 14, 2019 and February 14, 2020. The time gap between any two meetings was less than one hundred and twenty days.

The detail of attendance of members and composition is as under:

Name of the Member	Category	Designation	No. of Meetings	
			Held	Attended
Mr. Amit Goela	Non-Executive, Independent Director	Chairman	4	4
Mrs. Seema Agarwal	Executive Director	Member	4	4
Mr. Sushil Kapadia	Non-Executive, Independent Director	Member	4	4

Investor Grievance Redressal:

Details of complaints received and resolved by the Company during the financial year 2019-20 are given below:

Particulars	Complaint Status
Number of pending complaints at the beginning of the financial year	: NIL
Number of complaints received during the financial year	: NIL
Number of complaints pending at the end of the financial year	: NIL
Number of complaints not solved to the satisfaction of shareholders	: NIL

4. GENERAL BODY MEETINGS

4.1 Information of last three Annual General Meetings (AGMs) held:

Meeting	Day, Date and Time of the Meeting	Venue	No. of Special Resolution Passed
12 th AGM for the Financial year ended March 31, 2019.	Monday, August 19, 2019 at 10:30 A.M.	Kamat Lingapur Hotel, 1-10-44/2, Chikoti Gardens, Begumpet, Hyderabad- 500016	6
11 th AGM for the Financial year ended March 31, 2018.	Friday, August 24, 2018 at 11:30 A.M.	D & J Grande Hotel, 4-3-51/C, K.S. Lane, Hanuman Tekdi, Sultan Bazar, Hyderabad-500095	2
10 th AGM for the Financial year ended March 31, 2017.	Saturday, September 02, 2017 at 11:30 A.M.	D & J Grande Hotel, 4-3-51/C, K.S. Lane, Hanuman Tekdi, Sultan Bazar, Hyderabad-500095	None



4.2 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.

5. MEANS OF COMMUNICATION

5.1 Financial Results:

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). The results are published within 48 hours of declaration in Business Standard (English Daily Newspaper) and Nava Telangana (Telugu Daily Newspaper) and also displayed on the Company's website www.suryaamba.com.

5.2 Annual Report:

Physical copy of the abridged Annual Report for FY 2018-19 was sent to all shareholders who had not registered their email ids with the Company / RTA. Full version of the Annual Report for FY 2018-19 was sent via email to all shareholders who have provided their email ids and is also available at the Company's website at <http://www.suryaamba.com/investors/annual-reports/>.

5.3 Website:

The Company's website www.suryaamba.com contains a separate section 'Investor' and displays various information and communications for the use of investors.

5.4 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.

5.5 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.

5.6 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.



5.7 Exclusive email ID for Investors:

The Company has designated the email-id cssuryaamba@gmail.com exclusively for investor servicing.

5.8 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.

6. GENERAL SHAREHOLDER INFORMATION

6.1 Annual General Meeting:

Day & Date	:	Thursday, 13 th August, 2020
Time	:	12:30 P.M.
Venue	:	The Company is conducting meeting through VC / OAVM pursuant to the MCA Circular dated May 5, 2020 and as such there is no requirement to have a venue for the AGM. For details please refer to the Notice of this AGM.

6.2 Financial Calendar:

Financial Year: April 01 to March 31.

For the financial year ended March 31, 2020, results were announced on:

- First Quarter – August 12, 2019
- Half Yearly – November 14, 2019
- Third Quarter – February 14, 2020
- Fourth Quarter and Annual – June 29, 2020

For the financial year ending March 31, 2021, results will be announced tentatively (subject to change) by:

- First Quarter – On or before August 14, 2019
- Half Yearly – On or before November 14, 2019
- Third Quarter – On or before February 14, 2020
- Fourth Quarter and Annual – On or before May 30, 2020
- Annual General meeting for the year ending March 31, 2021 – On or before September 30, 2021.

6.3 Dividend:

(i) Book Closure:

The Register of Members and the share Transfer Books of the Company shall remain closed from Friday August 07, 2020 till Thursday August 13, 2020 (both days inclusive) for payment of Final Dividend and Annual General Meeting.

(ii) Dividend Payment:

The payment of dividend, upon declaration by the shareholders at the forthcoming Annual General Meeting, will be made within the statutory time limit of thirty days, subject to any extension or amendment.



(iii) Transfer of unpaid/unclaimed amounts to Investor Education and Protection Fund:

During the year under review, there was no unpaid / unclaimed dividend amount lying with the Company which remained unpaid /unclaimed for a period of seven years and to be transferred to Investor Education and Protection Fund.

(iv) Unclaimed Dividend:

Pursuant to the provisions of Section 124 of the Companies Act, 2013, the Company is required to transfer unclaimed dividends, matured deposits and interest accrued thereon remaining unclaimed and unpaid for a period of seven years from the due date to the Investor Education and Protection Fund (IEPF) set by the Central Government.

The Company has uploaded the details of unpaid and unclaimed dividend amounts lying with the Company on the Company's website (www.suryaamba.com). Given below are the due dates for transfer of unclaimed and unpaid dividend to the Investors Education & Protection Fund (IEPF) by the Company:

Financial Year	Type of Dividend	Date of Declaration of Dividend	Due date for transfer to IEPF
2012-2013	Final	September 11, 2013	October 16, 2020
2013-2014	Final	August 09, 2014	September 14, 2021
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

Shareholders who have not encashed their dividend warrants relating to the dividends specified above are requested to immediately send their request for issue of duplicate warrants. Once unclaimed dividend is transferred to IEPF, no claim shall lie in respect thereof with the Company. However, shareholders may claim their unclaimed amount from IEPF Authority as per the procedures/guidelines issued by the Ministry of Corporate Affairs (MCA). For details, Investors can visit the website of IEPF Authority viz. www.iepf.gov.in or also available on Company's website.

(v) Mandatory Transfer of Shares to Demat Account of Investors Education and Protection Fund Authority (IEPFA) in case of unpaid/ unclaimed dividend on shares for a consecutive period of seven years-

In terms of Section 124(6) of the Companies Act, 2013 read with Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, (as amended from time to time) (IEPF Rules) shares on which dividend has not been paid or claimed by a shareholder for a period of seven consecutive years or more shall be credited to the Demat Account of Investor Education and Protection Fund Authority (IEPFA) within a period of thirty days of such shares becoming due to be so transferred. Upon transfer of such shares, all benefits (like bonus, etc.), if any, accruing on such shares shall also be credited to such Demat Account and the voting rights on such shares shall remain frozen till the rightful owner claims the shares. Shares which are transferred to the Demat Account of IEPFA can be claimed back by the shareholders from IEPFA by following the procedure prescribed under the aforesaid rules.

Consequent to the above, during the financial year 25,096 equity shares of the Company were transferred to the IEPFA. A relevant detail of such shares is available on the website of the Company <http://www.suryaamba.com/investors/unpaid-dividend-details/>.



The Company will be transferring the final dividend and corresponding shares for the financial year 2012-13 within 30 days of due date as mentioned in the above table. Therefore, it is in the interest of shareholders to regularly claim the dividends declared by the Company.

Details with respect to Demat Suspense Account / Unclaimed Suspense Account: Nil.

6. 4 Listing on Stock Exchanges:

The listing details of shares of Suryaamba Spinning Mills Limited are as follows:

Sr. No.	Name of the Stock Exchange	Listing Date	Stock Code/ Scrip Code	Address	ISIN Number
1.	BSE Limited (BSE)	03-09-2009	533101	Pheroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 001	INE360J01011

Listing fee, as applicable, has been duly paid to the aforesaid Stock Exchange.

The securities of the Company have not been suspended from trading during the financial year 2019-20.

6. 5 Market Price Data:

The month-wise highest and lowest and closing share price data from April 1, 2019 to March 31, 2020 is as follows:

Month	Share Prices of Suryaamba on BSE			BSE Sensex Points		
	High	Low	Closing	High	Low	Closing
April, 2019	67.75	62.00	65.65	39,487.45	38,460.25	39,031.55
May, 2019	68.00	54.55	60.25	40,124.96	36,956.10	39,714.20
June, 2019	65.20	51.10	59.50	40,312.07	38,870.96	39,394.64
July, 2019	65.45	48.10	55.75	40,032.41	37,128.26	37,481.12
August, 2019	61.40	47.05	51.95	37,807.55	36,102.35	37,332.79
September, 2019	59.50	42.30	42.30	39,441.12	35,987.80	38,667.33
October, 2019	56.80	42.40	48.85	40,392.22	37,415.83	40,129.05
November, 2019	59.90	40.50	52.40	41,163.79	40,014.23	40,793.81
December, 2019	57.15	45.45	51.50	41,809.96	40,135.37	41,253.74
January, 2020	56.75	46.95	48.95	42,273.87	40,476.55	40,723.49
February, 2020	55.00	46.00	49.00	41,709.30	38,219.97	38,297.29
March, 2020	50.50	36.75	38.80	39,083.17	25,638.90	29,468.49

6.6 Registrar & Share 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 Private Limited

(Formerly known as "Karvy Fintech Private Limited")

Selenium Building, Tower B, Plot No.31 & 32, Gachibowli, Financial District, Nanakaramguda, 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>



6.7 Share Transfer System:

Share transfer and related operations for the Company, is conducted by M/s. **KFin Technologies Private Limited** (Formerly known as “Karvy Fintech Private Limited”) which is registered with SEBI as a Category 1 registrar. Share transfer is normally affected within maximum period of 30 days from the date of receipt, if all the required documents are submitted.

Effective 1st April, 2019, SEBI has amended Regulation 40 of the Listing Regulations, which deals with transfer or transmission or transposition of securities. According to this amendment, the requests for effecting the transfer of listed securities shall not be processed unless the securities are held in dematerialised form with a Depository. Therefore, for effecting any transfer, the securities shall mandatorily be required to be in demat form.

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).

6.8 Dematerialization of Equity Shares:

The Company's shares are compulsorily traded in dematerialized form and are available for trading on both the Depositories in India viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

As on March 31, 2020, 29,00,585 shares out of total 29,31,944 shares of the Company representing 98.93% of the Company's share capital were held in dematerialized form.

6.9 Distribution of shares and shareholding pattern as on March 31, 2020:

(i) Shareholding pattern by size as on March 31, 2020:

Range	*No. of Holders	%	No. of Shares	%
upto 1- 5000	2564	92.60	2257960	7.70
5001- 10000	99	3.58	757330	2.58
10001- 20000	53	1.91	743260	2.54
20001- 30000	15	0.54	388440	1.32
30001- 40000	8	0.29	286140	0.98
40001- 50000	4	0.14	178260	0.61
50001- 100000	8	0.29	588020	2.01
100001 & above	18	0.65	24120030	82.27
Total	2769	100.00	29319440	100.00

**(ii) Shareholding pattern by ownership as on March 31, 2020:**

Sr. No.	Category of Shareholders	*No. of Shareholders	Total Shares	% Total Share holding
1	Promoters & Promoter Group	7	2176966	74.25
2	Resident Individuals	2353	646332	22.04
3	Hindu Undivided Family	62	54922	1.87
4	Mutual Fund	2	64	0.00
5	Banks and Financial Institutions	2	810	0.03
6	Bodies Corporate	32	10749	0.37
7	Clearing Members	5	1500	0.05
8	Non Resident Indians	10	12894	0.44
9	Non Resident Indian Non Repatriable	5	2611	0.09
10	I E P F	1	25096	0.86
	Total	2479	2931944	100.00

*The difference in total number of shareholders is due to elimination of number of shareholders holding equity shares in the Company, having multiple folio / demat account with same IT PAN. As per SEBI's directions, RTA provide shareholding pattern to listed entity on quarterly basis, after clubbing and eliminating folio / demat account with same PAN.

6.10 Outstanding ADR/GDR:

The Company does not have any outstanding global depository receipts or American depository receipts or warrants or any convertible instruments as on March 31, 2020.

6.11 Disclosure related to Commodity Price risk or Foreign Exchange risk and hedging activities:

The Company has adequate risk assessment and minimisation system in place including foreign exchange. The foreign exchange risk is managed through the hedging strategy of the Company which is reviewed periodically. For the year under review, the Company had managed the foreign exchange risk and hedged to the extent considered necessary. The Company enters into forward contracts for hedging foreign exchange exposures against exports and imports. The details of foreign currency exposure are disclosed in Note to the Annual Accounts of the Company.

6.12 Credit rating:

During the financial year 2019-20, 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	Size of Issue (million)	Rating/ Outlook
Fund based limit	INR 215	IND BBB/ Stable
Term loan	INR 125.38 (reduced from INR 145.2)	IND BBB/ Stable
Non Fund based limit	INR 42.3	IND A3+

6.13 Plant location:

Nagpur Plant	Survey No. 300, Nayakund, Parseoni Road, Near Ramtek Dist. Nagpur- 441105, Maharashtra.
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6.14 Address for correspondence:

For share transfer / dematerialization of shares, payment of dividend and any other query relating to the shares	KFin Technologies Private 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: https://www.kfintech.com
For any other matter or any other queries can correspond with Company Secretary & Compliance Officer of the Company	Registered Office: Surya Towers, 1 st Floor, 105, Sardar Patel Road, Secunderabad-500003, Telangana. Tel. No. 040 27813360 E-mail: cssuryaamba@gmail.com Corporate Office: A-101, Kanha Apartment, 128, Chhaoni, Katol Road, Nagpur-440 013, Maharashtra. Tel. No. 0712-2591072 E-mail: cssuryaamba@gmail.com

7. OTHER DISCLOSURES

7.1 Disclosure of Related party transaction:

All transactions entered into by the Company with related parties as defined under the Companies Act, 2013 and the Listing Regulations, during the Financial Year 2019-20 were in the ordinary course of business and on arm's length pricing basis. There were no materially significant transactions with the related parties during the financial year which were in conflict with the interest of Company. Necessary disclosures as required under the Accounting Standards are set out in the Notes to Financial Statements forming part of this Annual Report.

The Audit Committee has approved Related Party Transactions along with granting omnibus approval in line with the Policy and the related party transactions entered into by the Company pursuant to the omnibus approval granted by the Audit Committee is reviewed on a quarterly basis by the Committee.

The policy on dealing with and materiality of Related Party Transactions has been placed on the Company's website and can be accessed at the following link: <http://www.suryaamba.com/investors/policies/>.

7.2 Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets during the last three years:

A one day fine amounting to Rs. 5,900/- (including GST), for the quarter ended June, 2019, was imposed by BSE Limited vide its letter no. LIST/COMP/Reg.27(2)&Reg.17to21/Jun-19/533101/ 157/2019-20 dated August 19, 2019, pertaining to non compliance with respect to the composition of the board as required under Regulation 17(1) of SEBI (LODR) Regulations, 2015.

The Company rectified the non compliance and paid the aforementioned fees within the stated time on August 28, 2019.



7.3 Whistle Blower Policy

The Company promotes ethical behavior in all its business activities and has put in place a mechanism for reporting illegal or unethical behavior including actual or suspected leak of unpublished price sensitive information. The policy provides a mechanism for employees and Directors to report their concerns about unethical behavior, actual or suspected fraud or violation of Company's code of conduct and provides safeguards against victimisation of employees who avail the mechanism. No personnel have been denied access to the Audit Committee.

The whistle Blower policy can be accessed at <http://www.suryaamba.com/investors/policies/>

7.4 Compliance with Mandatory Requirements:

The Company has complied with all applicable mandatory requirements of the Listing Regulations.

7.5 Adoption of Discretionary Requirements:

a. The Board - Chairman's Office

The Chairman of the Company is an Executive Director and hence this clause is not applicable.

b. Shareholders rights

As the Company's quarterly and half yearly financial results are published in the English newspaper (Business Standard) and in a Telugu newspaper (Nava telangana) and also hosted on the website of the Company, the same are not sent separately to the shareholders of the Company.

c. Audit Qualifications

During the year under review, there is no audit qualification in your Company's financial statements.

d. Reporting of Internal Auditor

The Internal Auditors of the Company report to the Audit Committee.

7.6 During the financial year under review, the Company does not have any material listed and unlisted subsidiary company (ies) as defined in the Listing Regulations.

7.7 Utilization of funds raised through Preferential Allotment or Qualified Institutions Placement:

No funds were raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of Listing Regulations.

7.8 Certificate from Company Secretary in practice:

A certificate from Mrs. Aarju Agrawal, Practicing Company Secretary stating that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Company by the Board / Ministry of Corporate Affairs or any such statutory authority. The same is placed at the end of this Corporate Governance Report.

7.9 Recommendations of Committee(s) of the Board of Directors:

There was no such instance where the board has not accepted any recommendation of any committee of the board during the year under review.



7.10 Total fees paid to Statutory Auditor and all entities in the network:

Total fees for all services paid by the Company to M/s. S. Venkatadri & Co., Statutory Auditor of the Company for the financial year 2019-20 are given below:

Particulars	Amount-Rupees in Lakhs
Statutory Audit Fees	₹ 1.65 lakhs
Tax Audit Fees	₹ 0.40 lakhs
Total	₹ 2.05 lakhs

Note: The Company has not paid any fees to any network firm / network entity of which the Statutory Auditors is part of.

7.11 Disclosure under 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 at the end of the financial year	: Nil

7.12 Disclosure on compliance with Corporate Governance requirements specified in Listing Regulations:

The Company has complied with the requirements of Part C (Corporate Governance Report) of Sub-Paras (2) to (10) of Schedule V of the Listing Regulations.

The Company has complied with Corporate Governance requirements specified in Regulation 17 to 27 and Clauses (b) to (i) of Sub-Regulation (2) of Regulation 46 of the Listing Regulations and necessary disclosures thereof have been made in this Corporate Governance report.

7.13 Disclosure Policy:

In line with requirements under Regulation 30 of the Listing Regulations, the Company has framed a policy on disclosure of material events and information as per the Listing Regulations, which is available on our website at: <http://www.suryaamba.com/investors/policies/>

The objective of this policy is to have uniform disclosure practices and ensure timely, adequate and accurate disclosure of information on an ongoing basis. Key Managerial Personnel of the Company shall severally have the authority to determine Materiality of any event or information and ensure disclosures of the same are made to stock exchanges.

7.14 Policy for Preservation of Documents:

Pursuant to the requirements under Regulation 9 of the Listing Regulations, the Board has formulated and approved a Document Retention Policy prescribing the manner of retaining the Company's documents and the time period up to certain documents are to be retained. The policy percolates to all levels of the organization who handle the prescribed categories of documents.

The Company has adopted a policy for preservation of documents and the same is available on the Company's website.



7.15 Code and Policies under SEBI (Prohibition of Insider Trading) Regulations, 2015.

The Company has adopted Code of Conduct for Prevention of Insider Trading and Fair disclosure of unpublished price sensitive information and Policy for Determination of Legitimate Purposes & Procedures for inquiry in case of Leak or Suspected Leak of Unpublished Price Sensitive Information.

The Code is applicable to Promoters, Member of Promoter's Group, all Directors and such Designated Persons who are expected to have access to unpublished price sensitive information relating to the Company. The Code & Policy can be accessed at Company's website <http://www.suryaamba.com/investors/policies/>.

7.16 Disclosure of Accounting Treatment:

In the preparation of the financial statements, the Company has followed the Accounting Standards referred to in Section 133 of the Companies Act, 2013. The significant accounting policies which are consistently applied are set out in the Notes to the Financial Statements.

8. MD / CFO Certification:

The Managing Director (MD) and Chief Financial Officer (CFO) have issued certificate pursuant to the provisions of Regulation 17(8) of the Listing Regulations, certifying that the financial statements for the year ended March 31, 2020 do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affairs. The said certificate is annexed and forms part of the Annual Report.

9. Auditor's Certificate on Corporate Governance:

The Company obtained the compliance certificate from M/s S. Venkatadri & Co., Statutory Auditors pursuant to Schedule V of the Listing Regulations regarding compliance of conditions of corporate governance is annexed and forms part of this Annual Report.

10. Code of Conduct:

The Company has framed and adopted a Code of Conduct for the members of the Board and the Senior Management ("the Code") in terms of requirements of the Listing Regulations.

The Code has been circulated to all the members of the Board and Senior Management and the same is also posted on the Company's website at www.suryaamba.com. The Code lays the general principles designed to guide all Directors and members of the Senior Management for ethical conduct of business and compliance of laws.

All Directors and members of the Senior Management have affirmed their adherence to the provisions of the Code. A declaration to that effect signed by the Managing Director is given below:

Declaration by the Managing Director on Code of Conduct as required by Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I, Virender Kumar Agarwal, Managing Director of the Company hereby declare that all the members of Board of Directors and Senior Management Personnel have affirmed compliance with Code of Conduct, as applicable to them, in respect of the financial year 2019-20.

For Suryaamba Spinning Mills Limited

Place: Nagpur
Date : June 29, 2020

Virender Kumar Agarwal
Managing Director
DIN: 00013314

**PRACTISING COMPANY SECRETARY'S CERTIFICATE ON BOARD OF DIRECTORS**

To,
The Members
SURYAAMBA SPINNING MILLS LIMITED
1st Floor, Surya Towers, 105, SP Road,
Secunderabad, Telangana, 500003.

In pursuance of sub clause (i) of clause 10 of Part C of Schedule V of The Securities Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirement) Regulations, 2015; (LODR) in respect of SURYAAMBA SPINNING MILLS LIMITED bearing CIN : L19100TG2007PLC05383 (hereinafter called "the Company"), I hereby certify that :

On the basis of the written representation/declaration received from directors and taken on record by the Board of Directors, as on March 31, 2020, none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as director of the companies by the Securities Exchange Board of India (SEBI) /Ministry of Corporate Affairs or any such statutory authority.

**For Aarju Agrawal & Associates
Practicing Company Secretary**

**Place: Nagpur
Date: June 29, 2020**

**CS Aarju Agrawal
M. No: A42507
C. P. No: 15770
UDIN: A042507B000439013**

**AUDITOR'S CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF
CORPORATE GOVERNANCE**

To,
The Members of
SURYAAMBA SPINNING MILLS LIMITED

This report contains details of compliance of conditions of Corporate Governance by Suryaamba Spinning Mills Limited ('the Company') for the year ended March 31, 2020 as stipulated in regulations 17-27, clause (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') pursuant to the Listing Agreement of the Company with Stock Exchanges.

Management's Responsibility for compliance with the conditions of Listing Regulations

1. The compliance with the terms and conditions contained in the corporate governance is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents.

Auditor's Responsibility

2. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended March 31, 2020.



Opinion

4. In our opinion, and to the best of our information and according to explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.
5. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

**Place: Hyderabad
Date : June 29, 2020**

**K.SRINIVASA RAO
Partner
M. No. 201470**

**CEO/CFO CERTIFICATION IN RESPECT OF FINANCIAL STATEMENTS
For the financial year ended March 31, 2020
(Pursuant to Regulation 17 (8) of SEBI (Listing Obligations & Disclosure Requirements)
Regulations, 2015.**

We, Virender Kumar Agarwal, Managing Director and Gajanan Chhawsaria, CFO of Suryaamba Spinning Mills Limited hereby certify that:

- a. We have reviewed the financial statements and the cash flow statements for the year ended March 31, 2020 and certify that to the best of our knowledge and belief;
 - i. These statements do not contain any materially untrue statement nor omit any material fact not contain statements that might be misleading; and
 - ii. These statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct;
- c. We accept responsibility for establishing and maintaining internal controls in the Company and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the audit committee, deficiencies in the design or the operation of internal controls, if any, of which we are aware and the steps that we have taken or propose to take and rectify the identified deficiencies.
- d. There have been no significant changes in the above mentioned internal controls over financial reporting during the relevant period.
- e. That there have been no significant changes in the accounting policies during the relevant period.
- f. We have not noticed any significant fraud particularly those involving the, management or an employee having a significant role in the Company's internal control system over Financial Reporting.

**Place: Nagpur
Date : June 29, 2020**

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

**Gajanan Chhawsaria
Chief Financial Officer**



INDEPENDENT AUDITORS' REPORT

**To,
The Members of
SURYAAMBA SPINNING MILLS LIMITED**

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the accompanying Financial Statements of **SURYAAMBA SPINNING MILLS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the statement of Changes in Equity for the year ended on that date, including a summary of significant accounting policies and other explanatory information.

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 as amended ("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, 2020, its Profit including other comprehensive income, its Cash Flows and changes in equity for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the Financial Statements in accordance with the standards on auditing (SAs) as specified under section 143 (10) of the Companies Act, 2013. Our Responsibilities under those Standards 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 that are relevant to our audit of the Financial Statements under the provisions of the Act and the rules there under, 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 of most significance in our audit of the Financial Statements for the Financial Year ended March 31, 2020. These matters were addressed in the context of our audit of the Financial Statements as a whole, and informing our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our audit report.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure's to Board's Report, Corporate Governance and Shareholder's Information, but does not include the 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.

RESPONSIBILITIES OF MANAGEMENT FOR THE FINANCIAL STATEMENTS

The Company's board of directors is responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial Position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) 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 presentation of the Financial Statement 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 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.

Those Board of directors are also responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF 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 skepticism 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 control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, 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 Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the 'Annexure A', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The Balance Sheet, the Statement of Profit and Loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;



- e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B' to this report;
- g) In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid/provided by the company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, 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. 32a;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, If any, on long-term contracts including derivative contracts;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

Place : Hyderabad
Date : June 29, 2020

For S. VENKATADRI & CO.,
Chartered Accountants
Firm's Registration No.004614S

K.SRINIVASA RAO
P A R T N E R
M. No. 201470
UDIN:20201470AAAACE2533



Annexure “A” to the Independent Auditor’s Report

With reference to the Annexure referred to in paragraph 1 under the heading “Report on other legal & Regulatory Requirements” of our Report of even date to the members of **SURYAAMBA SPINNING MILLS LIMITED**, on the Financial Statements for the year ended March 31, 2020, We report that:

(i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) As explained to us, the fixed assets have been physically verified by the management during the year in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties are held in the name of company.

(ii) The inventory has been physically verified during the year by the management at reasonable intervals. In our opinion, the frequency of verification is reasonable and adequate and no material discrepancies are noticed during our audit.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly the provisions of clause 3(iii)(a),(b) and (c) of the order are not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, Company has complied with the provision of Section 185 and 186 of Companies Act, 2013 in respect of grant of Loans, making investments and providing guarantees and securities, as applicable.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended).

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central government for the maintenance of cost records under Section 148 (1) of the Companies Act, 2013 Act, related to the manufacturing activities, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) (a) According to the information and explanations given to us and based on the records of the company examined by us, the company is generally regular in depositing the undisputed statutory dues, including Provident Fund, Employees’ State Insurance, Income-tax, Goods and Service Tax, Custom Duty and other material statutory dues, as applicable, with the appropriate authorities in India.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees’ State Insurance, Income-tax, Goods and Service Tax, Custom Duty and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(viii) In Our Opinion and according to the information and explanations provided by the management, the company has not defaulted in repayment of loans or borrowings to a financial institution, bank or government or dues to debenture holders.



(ix) In Our Opinion and according to the information and explanations provided by the management, the Company has utilized the monies raised by way of debt instruments and term loans for the purposes for which they were raised.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the Financial Statements and according to the information and explanations provided by the management, we report that no fraud by the company or on the company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given to us and based on our examination of the records of the company, the company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V of the Companies Act, 2013.

(xii) In Our Opinion and according to the explanations given to us, the company is not a Nidhi company. Accordingly, provisions of clause 3(xii) of the order are not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with the sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable standards.

(xiv) According to the information and explanations given to us, the company has not made any preferential allotment or Private placement of shares or fully or partly convertible debentures during the year. Accordingly, Provisions of clause 3(xiv) of the order are not applicable.

(xv) According to the information and explanations given to us and based on our examination of the records of the company, The Company has not entered into any non-cash transactions with the directors or persons connected with him as referred to in section 192 of Companies Act, 2013. Accordingly, provisions of clause 3(xv) of the order are not applicable.

(xvi) According to the information and explanations provided to us, the provisions of Section 45-IA of the Reserve bank of India Act, 1934 are not applicable to the company.

Place : Hyderabad
Date : June 29, 2020

For S. VENKATADRI & CO.,
Chartered Accountants
Firm's Registration No.004614S

K.SRINIVASA RAO
P A R T N E R
M. No. 201470
UDIN:20201470AAAACE2533



Annexure “B” to the Independent Auditors’ Report of even date on the Financial Statements of SURYAAMBA SPINNING MILLS LIMITED

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

We have audited the internal financial controls over financial reporting of SURYAAMBA SPINNING MILLS LIMITED (“the Company”) as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

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 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 auditor’s 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 a basis for our audit opinion on the Company’s internal financial controls system over financial reporting with reference to these financial statements.

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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, 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.

Place : Hyderabad
Date : June 29, 2020

For S. VENKATADRI & CO.,
Chartered Accountants
Firm's Registration No.004614S

K.SRINIVASA RAO
P A R T N E R
M. No. 201470
UDIN:20201470AAAACE2533



Balance Sheet as at March 31, 2020

(₹ in Lakhs)

Particulars	Notes	As at March 31, 2020	As at March 31, 2019
ASSETS:			
1. NON-CURRENT ASSETS			
(a) Property, Plant and Equipments	03	6,382.91	5,808.33
(b) Intangible Assets		-	-
(c) Capital Work-in-Progress	04	7.81	-
(d) Financial Assets			
-Other Financial Assets	05	0.21	0.71
(e) Other Non-current Assets	06	44.27	23.22
(f) Current Tax Assets (Net)	07	15.39	-
Total Non-Current Assets		6,450.59	5,832.26
2. CURRENT ASSETS			
(a) Inventories	08	1,451.58	1,516.81
(b) Financial Assets:			
- Trade Receivables	09	1,388.97	1,580.94
- Cash and Cash Equivalents	10A	11.47	16.53
- Other Balances with Bank	10B	96.71	90.66
- Other Financial Assets	05	-	-
(c) Other Current Assets	06	300.61	621.46
Total Current Assets		3,249.34	3,826.40
TOTAL ASSETS		9,699.93	9,658.66
EQUITY AND LIABILITIES:			
EQUITY			
(a) Equity Share Capital	11	293.19	293.19
(b) Other Equity	12	3,147.75	2,648.63
Total Equity		3,440.94	2,941.82
LIABILITIES			
1. Non-Current Liabilities			
(a) Financial Liabilities			
-Borrowings	13	2,296.72	2,122.97
-Other Financial Liabilities	14	4.59	0.64
(b) Long Term Provisions	15	423.13	414.74
(c) Other Non-Current Liabilities	16	111.28	115.53
(d) Deferred Tax Liabilities (Net)	17	411.39	322.92
Total Non-Current Liabilities		3,247.11	2,976.80
2. Current Liabilities			
(a) Financial Liabilities			
- Borrowings	18	1,267.28	1,732.04
- Trade Payables	19	897.35	1,146.50
- Other Financial Liabilities	14	782.10	736.38
(b) Other Current Liabilities	16	42.25	23.15
(c) Short Term Provisions	15	22.90	87.86
(d) Current Tax Liabilities(Net)	20	-	14.11
Total Current Liabilities		3,011.88	3,740.04
TOTAL EQUITY AND LIABILITIES		9,699.93	9,658.66

See accompanying Notes to the Financial Statements.

As per our attached report of even date.

For **S. VENKATADRI & CO.**
Chartered Accountants
FRN No.: 004614S

For and on behalf of the Board of Directors

K. Srinivasa Rao
Partner
Membership No. 201470
UDIN:20201470AAAAACE2533

Virender Kumar Agarwal
Managing Director
DIN:00013314

Seema Agarwal
Jt. Managing Director
DIN: 01430206

Place :Nagpur
Date: June 29,2020

Place :Hyderabad
Date: June 29, 2020

G. N. Chhawsaria
Chief Financial Officer

Deepa Dudani
Company Secretary
M. No. A54559

Place :Nagpur
Date: June 29,2020



Statement of Profit and Loss as at March 31, 2020

(₹ in Lakhs)

Particulars	Notes	As at March 31, 2020	As at March 31, 2019
I. REVENUE			
Revenue from Operations	21	16,219.29	16,866.22
Other Income	22	94.07	63.20
II. TOTAL REVENUE		16,313.36	16,929.42
III. EXPENSES			
Cost of Materials Consumed	23	9,130.00	10,416.66
Purchases of Stock-in-Trade		-	-
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	24	158.15	149.43
Employee Benefits Expense	25	2,243.25	1,988.28
Finance Costs	26	563.24	592.52
Depreciation and Amortization Expense	27	455.73	446.08
Other Expenses	28	3,013.41	2,899.87
IV. Total Expenses		15,563.78	16,492.84
V. Profit Before Exceptional Item and Tax (II - IV)		749.58	436.58
Exceptional Items		-	-
VI. Profit Before Tax (PBT)		749.58	436.58
VII. Tax Expenses:			
Current Tax	29	146.05	105.29
Deferred Tax	17	83.08	(10.73)
VIII. Total Tax Expenses		229.13	94.56
IX. Profit After Tax (PAT) (VI - VIII)		520.45	342.02
X. Other Comprehensive Income			
(i) Items that will not be reclassified to Profit or Loss			
(a) Re-measurements of the Defined Benefit Plans		19.43	45.88
(b) Income Tax Expenses on the above		(5.41)	(12.76)
(ii) Items that will be reclassified subsequently Statement of Profit and Loss		-	-
Other Comprehensive Income		14.02	33.12
XI. Total Comprehensive Income for the year (IX + X)		534.47	375.14
XII. Earnings per Equity Share			
Basic (In ₹)		17.75	11.67
Diluted (In ₹)	36	17.75	11.67

Significant Accounting Policies

1 & 2

See accompanying Notes to the Financial Statements.

As per our attached report of even date.

For **S. VENKATADRI & CO.**
Chartered Accountants
FRN No.: 004614S

For and on behalf of the Board of Directors

K. Srinivasa Rao
Partner
Membership No. 201470
UDIN:20201470AAAACE2533

Virender Kumar Agarwal
Managing Director
DIN:00013314

G. N. Chhawsaria
Chief Financial Officer

Seema Agarwal
Jt. Managing Director
DIN: 01430206

Deepa Dudani
Company Secretary
M. No. A54559

Place :Hyderabad
Date: June 29, 2020

Place :Nagpur
Date: June 29, 2020

Place :Nagpur
Date: June 29, 2020



Statement of Cash Flow as at March 31, 2020

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / (Loss) before Tax for the year as per the Statement of Profit or Loss	749.58	436.58
<u>Adjustments for :</u>		
Depreciation and Amortization Expenses	455.73	446.08
Finance Cost	563.24	592.52
Interest Income	(10.01)	(5.69)
Rental Income	(10.00)	(12.00)
Deferred Revenue Income	(4.25)	(2.61)
(Surplus) / Loss on Disposal of Property, Plants and Equipment (Net)	(4.63)	-
Operating Profit before Working Capital Changes	1,739.66	1,454.88
Changes in Working capital		
<u>Adjustments for :</u>		
(Increase) / Decrease in Trade Receivables	191.97	(371.61)
(Increase) / Decrease in Financial Assets	(4.75)	(5.34)
(Increase) / Decrease in Inventories	65.23	226.42
(Increase) / Decrease in Other Current Assets	305.46	70.69
Increase / (Decrease) in Trade Payables	(249.15)	381.24
Increase / (Decrease) in Financial Liabilities	48.87	(50.51)
Increase / (Decrease) in Short Term Borrowings	(464.76)	(125.10)
Increase / (Decrease) in Other Current Liabilities	19.10	42.28
Increase / (Decrease) in Short Term Provisions	(82.65)	(33.48)
Cash Generated from Operating Activities	1,568.98	1,589.47
Income Tax Paid (Net of Refund) during the year	(142.47)	(85.95)
Net Cash Generated / (Used) from Operating Activities	1,426.51	1,503.52
B. CASH FLOW FROM INVESTING ACTIVITIES		
Investment in Property, Plants and equipment's	(1,033.41)	(275.78)
Investment / (Transfer) in Capital Work-in-Progress	(7.81)	29.83
Disposal of Property, Plants and equipment's	3.09	-
Surplus / (Loss) on Disposal of Property, Plants and equipment's	4.63	-
Capital Advances	(21.05)	2.14
Rental Income	10.00	12.00
Deferred Revenue Income	4.25	2.61
Interest Income	10.01	5.69
Net Cash Generated / (Used) from Investing Activities	(1,030.29)	(223.51)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds / (Repayments) from Non - Current Borrowings	173.75	(728.31)
Increase / (Decrease) in Long Term Provisions	27.81	33.12
Increase / (Decrease) in Other Non-Current Liabilities	(4.25)	50.53
Finance Cost	(563.24)	(592.52)
Dividend and Dividend Distribution Tax Paid	(35.35)	(35.29)
Net Cash Received / (Used) from Financing Activities	(401.28)	(1,272.47)
D. Net Increase / (Decrease) in Cash and Cash Equivalents (A + B + C)	(5.06)	7.54
E. Cash and cash equivalents at the beginning of the year	16.53	8.99
F. CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	11.47	16.53

See accompanying Notes to the Financial Statements.

As per our attached report of even date.

For **S. VENKATADRI & CO.**
Chartered Accountants
FRN No.: 004614S

For and on behalf of the Board of Directors

K. Srinivasa Rao
Partner
Membership No. 201470
UDIN:20201470AAAAACE2533

Virender Kumar Agarwal
Managing Director
DIN:00013314

Seema Agarwal
Jt. Managing Director
DIN: 01430206

Place :Nagpur
Date: June 29,2020

Place :Hyderabad
Date: June 29, 2020

G. N. Chhawsaria
Chief Financial Officer

Deepa Dudani
Company Secretary
M. No. A54559

Place :Nagpur
Date: June 29,2020

**Notes:**

(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)

SR	Particulars	As at	
		March 31, 2020	March 31, 2019
1	Balances with Banks:		
	i) Current Accounts	20.79	22.26
	Less: Unpaid / Unclaimed Dividend	(12.42)	(11.63)
	ii) Deposits with Bank with the Maturity of less than 3 Months	-	-
2	Cheques and Drafts on Hand	-	-
3	Cash in Hand	3.10	5.90
4	Cash and Cash Equivalents in the Cash Flow Statements	11.47	16.53

Statement of Changes in Equity for the year ended March 31, 2020

Particulars	As at		As at	
	Number	(₹ in Lakhs)	Number	(₹ in Lakhs)
A) Equity Share Capital				
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
Balance as at April 01, 2019 (A)	57.53	358.96	1,191.49	1,040.65	2,648.63
Additions During the Year :					
Net Profit / (Loss) during the year	-	-	-	520.45	520.45
Other comprehensive income for the year	-	-	-	14.02	14.02
Transferred from Statement of Profit and Loss	-	-	0.50	-	0.50
Transferred from General Reserve	773.00	-	-	-	773.00
Items of Other Comprehensive Income for the year (Net of Taxes)	-	-	-	-	-
Re-measurement of benefit of defined benefit plans	-	-	-	-	-
Total Comprehensive Income for the year 2019 - 2020 (B)	830.53	358.96	1,191.99	1,575.12	3,956.60
Reductions during the year:					
Adjustment in respect of Gratuity Provision (Net of Taxes)	-	-	-	-	-
Final Dividend	-	-	-	(29.32)	(29.32)
Income Tax on Final Dividend	-	-	-	(6.03)	(6.03)
Transferred to Capital Redemption Reserve	-	-	(773.00)	-	(773.00)
Transferred to General Reserve	-	-	-	(0.50)	(0.50)
Total Reductions during the year (C)	-	-	(773.00)	(35.85)	(808.85)
Balance as at March 31, 2020 (D) = (B-C)	830.53	358.96	418.99	1,539.27	3,147.75

See accompanying Notes to the Financial Statements.

As per our attached report of even date.

For **S. VENKATADRI & CO.**
Chartered Accountants
FRN No.: 004614S

For and on behalf of the Board of Directors

K. Srinivasa Rao
Partner
Membership No. 201470
UDIN:20201470AAAACE2533

Virender Kumar Agarwal
Managing Director
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Seema Agarwal
Jt. Managing Director
DIN: 01430206

Place :Nagpur
Date: June 29,2020

Place :Hyderabad
Date: June 29, 2020

G. N. Chhawsaria
Chief Financial Officer

Deepa Dudani
Company Secretary
M. No. A54559

Place :Nagpur
Date: June 29,2020



Notes to the Financial Statements

1. Corporate Information

SURYAAMBA SPINNING MILLS LIMITED (the “Company”) is textile manufacturing Company with the presence of almost thirteen years in the textile industries. The Company is mainly engaged in the business of manufacturing of Specialty Synthetic Spun Yarn. The Company has established itself in the domestic and in the international market with a wide range of products from 100% polyester and viscose spun yarn as well as blended synthetic yarn, used for weaving.

The Company has its wide network of operations in the local as well as in the export market. The Company sells its product through the multiple channels including wholesale, retails etc.

The Company is a Public Limited Company domiciled and incorporated under the Provisions of the Companies Act applicable in India. Its shares are listed on the Bombay Stock Exchange of India (BSE). The Registered Office of the Company is located at 1st Floor, Surya Towers, 105, S. P. Road, Secunderabad (T.G.) – 500003.

SIGNIFICANT ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION

a) Accounting Convention

These Ind AS financial statements of the Company have been prepared in accordance with Indian Accounting Standard (hereinafter referred to as the “Ind AS”) as notified by the Ministry of Corporate Affairs pursuant to the Section 133 of the Companies Act, 2013 (“the Act”) read along with the Companies (Indian Accounting Standard) Rules, 2015 and the Companies (Indian Accounting Standard) Amendment Rules, 2016 and other relevant Provisions of the Companies Act as applicable in India.

b) Use of Estimates

The preparation of the financial statements in conformity with the Ind AS requires managements to make certain judgments, estimates and assumptions that affect the application of the accounting policies and the reported amounts of the assets, liabilities, income and expenses (including contingent liabilities) and the accompanying disclosures. 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. 20)

b) Property, Plants and Equipment: Property, Plant and Equipment represent a significant proportion of the asset 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 asset is acquired and reviewed periodically, including at each financial year end. Useful lives of each these assets is 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 asset.

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. 35, “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 asset’s 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 profit. 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 judgments 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 / 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 the liabilities 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: BUSINESS COMBINATIONS

a) Property, Plants and Equipment

Measurement at Recognition

An item of Property, Plant and Equipment 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 equipment are carries at its cost less accumulated depreciation / amortization and accumulated impairment losses, if any.

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

The cost of an item of property, plants and equipment comprises of its purchase price including import duties and other non - refundable purchase taxes or levies, directly attributable to the cost of bringing the asset 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, Plant and Equipment.

Such cost also includes the cost of replacing a part of the plant and equipment 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. Expenses directly attributable to new manufacturing facilities 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, plant and equipment if the recognition criteria are met.

When the significant parts of Property, Plant and Equipment 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 plant and equipment 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 asset 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 Equipment 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, Plant and Equipment, till the commencement of commercial production. Any adjustments arising from exchange rate variations attributable to the Property, Plant and Equipment are capitalized as aforementioned.

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

Any subsequent expenditure related to an item of Property, Plant and Equipment 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, Plant and Equipment are capitalized at cost and depreciated over the useful life of the respective Property, Plant and Equipment. 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, Plant and Equipment 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.

Any advances given towards acquisition of Property, Plants and Equipment outstanding at each balance sheet date is disclosed as "Other Non – Current Assets".

Depreciation

Depreciation on each part of Property, Plants and Equipment 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 Equipment has been assessed based on the technical advice which is considered in the nature of the Property, Plants and Equipment, the usage of the Property, Plants and Equipment, expected physical wear and tear of the such Property, Plants and Equipment, the operating conditions, anticipated technological changes, manufacturer warranties and maintenance support of the Property, Plants and Equipment etc.

When the parts of an item of the Property, Plants and Equipment 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 Equipment, whichever is less.

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



S. No.	Name of Property, Plants and Equipment's	Useful Life (In Years)
1.	Factory Building	30Years
2.	Building (Other than Factory Building)	60Years
3.	Plants and Equipment's (Including Continuous Process Plant)	25Years
4.	Furniture and Fixtures	10Years
5.	Office Equipment's	10Years
6.	Computer and Other Data Processing units	03Years
7.	Motor Vehicles	08Years
8.	Electrical Installation and Equipment	10Years
9.	Workshop Equipment's	25Years
10.	Testing and Other Equipment's	25Years

The Company based on technical assessment made by the technical expert and management estimate, depreciate certain items of property, plants and equipment (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 Equipment.

The useful lives of certain non - factory building is estimated of 30 years, which is lower than life prescribed in Schedule II of the Companies Act, 2013.

Vehicles are depreciated over the estimated useful life of 10 years, which is normally higher than life prescribed in Schedule II of the Companies Act, 2013.

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

The useful lives, residual value of each part of an item of Property, Plants and Equipment's and Intangible Assets and the method of depreciation are reviewed at the end of each financial year, if any, of these expectation differ from the previous estimates, such change is accounted for as a Change in Accounting Estimate and adjusted prospectively, if appropriate.

De-recognition

The carrying amount of an item of Property, Plants and Equipment 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 de-recognition of the Property, Plants and Equipment 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.	Name of Property, Plants and Equipment's	Useful Life (In Years)
1.	Software	5Years

De-recognition

The carrying amount of an Intangible asset is recognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the de-recognition of an Intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset 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 leases are 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 rentals are 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 is 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 investment 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 Company has elected to recognize its investments in subsidiaries, associates and joint venture at Cost under the option available in the Ind AS 27, "Separate Financial Statements". The details of such investments are given under Note No 5. Impairment policy, if any available on such investments is explained under Notes No. 1(c) above.

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

f) Investments Properties

The properties that 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 "Weighted Average 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 cost 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 equipment 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 asset, the capitalization of borrowing costs is computed on weighted average cost of general cost 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 liability (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) Gratuity Scheme

The Company operates a defined benefit gratuity plan for employees. The Company pays the gratuity to the employee whoever has completed five year of service with the Company at the time of resignation or superannuation. The Gratuity is paid @ 15 Days salary for every completed year of service as per the Payment of Gratuity Act, 1972.

The Company contributes to a separate entity (a fund), towards meeting the Gratuity obligation. This fund has been approved by the respective income tax authorities.

The liability in respect of gratuity and other post - employment benefits is calculated using the "Project Unit Credit Method" and spread over the period during which the benefit is expected to be derived from employee services.

Re - measurement of defined benefits plans in respect of post employments are charged to Other Comprehensive Income.

iv) Pension Scheme

The Company operates a defined benefit pension plans for certain specified employee satisfying certain conditions, as approved by the Board of Directors.

v) 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 asset (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. Re-measurements of the net defined benefit liability / (asset) comprising actuarial gains and losses and the return on the plan assets (excluding amounts included in net interest on the net defined benefit liability/asset), are recognized in Other Comprehensive Income. Such Re-measurements 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 liability as Current and Non - Current in the Balance Sheet as per the Actuarial Valuation by the Independent actuary; however, the entire liability 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.

Revenue from contract with the customers is recognized upon the transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products and services. Revenue is measured based on the transaction price, which is the consideration, adjusted discounts and other incentives, if any, as per the contract with customers. Revenue also excludes taxes or amounts collected from customers in its capacity as agents.

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 Equipment / Investments

Surplus or 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

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.

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 instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets**Initial Recognition and Measurement**

The Company recognizes a financial asset in its Balance Sheet when it becomes party to the contractual provisions of the instrument. 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 asset.



Where the fair value of a financial asset 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 asset.

However, trade receivables that do not contain a significant financing component are measured at transaction price.

Subsequent Measurement

For subsequent measurement, the Company classifies a financial asset in accordance with the below criteria:

- i) The Company's business model for managing the financial asset and
- ii) The contractual cash flow characteristics of the financial asset.

Based on the above criteria, the Company classifies its financial assets into the following categories:

- i) Financial assets measured at amortized cost
- 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 Cost

A financial asset is measured at the amortized cost if both the following conditions are met:

- a) The Company's business model objective for managing the financial asset 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 asset 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 asset. The same is included under other income in the Statement of Profit and Loss.

The amortized cost of a financial asset is also adjusted for loss allowance, if any.



Financial Assets measured at FVTOCI

A financial asset is measured at FVTOCI if both of the following conditions are met:

- a) The Company's business model objective for managing the financial asset is achieved both by collecting contractual cash flows and selling the financial assets, 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 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 De-recognition 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 OCI. However, the Company recognizes dividend income from such instruments in the Statement of Profit and Loss.

On De-recognition 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 asset is measured at FVTPL unless it is measured at amortized cost 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.

De-recognition

A financial asset (or, where applicable, a part of a financial asset 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 asset expires;
- ii) The Company transfers its contractual rights to receive cash flows of the financial asset and has substantially transferred all the risks and rewards of ownership of the financial asset;
- 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 asset);



iv) The Company neither transfers nor retains substantially all risk and rewards of ownership and does not retain control over the financial asset.

In cases where Company has neither transferred nor retained substantially all of the risks and rewards of the financial asset, but retains control of the financial asset, the Company continues to recognize such financial asset to the extent of its continuing involvement in the financial asset. In that case, the Company also recognizes an associated liability. The financial asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

On De-recognition of a financial asset, (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) Financial 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 asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month 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 asset 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 are a portion of the lifetime ECL which result 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 liability 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 liability.

Where the fair value of a financial liability 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 liability.

Subsequent Measurement

All financial liabilities of the Company are subsequently measured at amortized cost using the effective interest method. (Refer Note No. 29 for further details).

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 liability over the relevant period of the financial liability 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 liability. The same is included under finance cost in the Statement of Profit and Loss.

De-recognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is 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 is treated as the de-recognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability 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.

De-recognition

On de-recognition 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

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) **Segment Reporting**

Segments are identified having regard to the dominant source and nature of risks and returns and the internal organization and management structure. The Company has considered as Business Segments as Primary Segments. The Company does not have any Geographical Segments.

Identification of Segments

The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a Strategic business unit that offers the different products and serves the different markets. Majorly, the Company' Business Segments are "Aluminum Powder and Paste", "Aluminum Conductor".

Segments Accounting Policies

The Company prepares its Segment Information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

Inter - Segment Transfer

The Company generally accounts the Inter - Segment transfers at an agreed value of the transactions.

Allocation of Common Costs

Common allocable costs are allocated to each segment reporting according to the relative contribution of each segment to the total of common costs.

Unallocated Items

Unallocated Items include the General Corporate Income and Expense items which are not allocated to any of the Business Segments.

r) **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 Equipment and acquired Intangible Assets utilized for research and developments are capitalized and depreciated in accordance with the policies stated for Tangible Property, Plants and Equipment and Intangible Assets.

**s) 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 as 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.

t) 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 liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

A disclosure for a contingent liability is 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 Liability.

In the rare cases, when a liability cannot be measured reliably, it is classified as Contingent Liability. The Company does not recognize a Contingent Liability but disclosed its existence in the financial statements.

u) 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 June 29, 2020, have been considered, disclosed and adjusted, wherever applicable, as per the requirement of Indian Accounting Standards.



v) 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.

w) 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.

x) Cash and Cash Equivalentents

Cash and Cash Equivalentents 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.

**03. PROPERTY, PLANT AND EQUIPMENT**

(₹ in Lakhs)

Particulars	Gross Block			Accumulated Depreciation				Net Block		
	As at April 01, 2019	Additions	Deductions	As at March 31, 2020	As at April 01, 2019	Additions	Deductions	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019
Tangible Assets:										
Land	166.71			166.71					166.71	166.71
Buildings :										
Factory Buildings	1,424.92	247.07		1,671.99	171.31	60.36		231.67	1,440.32	1,253.61
Non-Factory Buildings	927.31	1.26		928.57	44.93	16.79		61.72	866.85	882.38
Plant & Equipment:										
Workshop Equipment	0.37			0.37	0.04	0.01		0.05	0.32	0.33
Plant and Machinery	4,204.66	688.27		4,892.93	927	326.60		1,253.94	3,638.99	3,277.32
Testing Equipment	9.77			9.77	1.78	0.59		2.37	7.40	7.99
Electrical Installations	162.52	38.79		201.31	69.15	25.10		94.25	107.06	93.37
Weighing Machines	1.61			1.61	0.23	0.08		0.31	1.30	1.38
Water Works	4.32			4.32	0.89	0.36		1.25	3.07	3.43
Furniture and Fixtures	33.99	2.36		36.35	10.87	3.82		14.69	21.66	23.12
Office Equipment	10.28	0.67		10.95	3.97	1.05		5.02	5.93	6.31
Vehicles	142.62	54.48	29.14	167.96	53	20.03	26.06	47.44	120.52	89.15
Data Processing Equipment	10.19	0.51		10.70	6.97	0.94		7.91	2.79	3.22
Total	7,099.28	1,033.41	29.14	8,103.55	1,290.96	455.73	26.06	1,720.63	6,382.92	5,808.32
Previous Year	6,823.50	275.78		7,099.28	844.87	446.08		1,290.95	5,808.33	5,978.63

**04. CAPITAL WORK-IN-PROGRESS**

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
For Factory Building	7.81	-
For Plant and Machineries	-	-
For Others	-	-
Total	7.81	-

05. OTHER FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Non-Current (A)		
Statutory Deposits	-	-
Security Deposits	-	-
Other Deposits	0.21	0.71
Term Deposits held as Margin Money against Bank Guarantee and Other Commitments*	-	-
Total (A)	0.21	0.71
Current (B)		
Statutory Deposits	-	-
Other Deposits	-	-
Total (B)	-	-
Total (A+B)	0.21	0.71

06. OTHER NON CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Non-Current (A)		
Capital Advances	44.27	23.22
Total (A)	44.27	23.22
Current (B)		
<i>Advances other than Capital Advances</i>		
Advances / Claims recoverable in Cash or in Kind	75.20	305.85
Balances with Government Authorities	173.28	245.02
Advances to Employees	3.47	2.29
Duty Credit Entitlements	48.66	48.89
Other Receivables	-	19.41
Total (B)	300.61	621.46
Total (A+B)	344.88	644.68

07. CURRENT TAX ASSETS (NET)

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for Income Tax (Net)		
Provision for Income Tax	(141.69)	-
Less :- Advance Income Tax	140.00	-
Tax Deducted at Source Receivables	1.92	-
TCS Receivables	0.55	-
Income tax for earlier year	14.61	-
Total	15.39	-

**08. INVENTORIES**

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
(Valued at Lower of Cost or Net Realizable Value)		
Raw Materials	664.71	566.89
(Valued at cost on weighted average basis)		
Stores & Spares Inventory	124.94	129.84
(Valued at cost on weighted average basis)		
Finished Goods Inventory	409.76	459.48
(at cost or net realizable value, whichever is less)		
Work-in-Process Inventory	251.93	360.10
(at cost or net realizable value, whichever is less)		
Waste (at realizable value)	0.24	0.50
Total	1,451.58	1,516.81

09. TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Secured, Considered Good	-	-
Unsecured, considered good	1,388.97	1,580.94
Unsecured, Considered Doubtful	-	-
Less :- Allowance for unsecured doubtful debts	-	-
Total	1,388.97	1,580.94

* Refer "Note No. 29c" for Credit Risk and Market Risk of Trade Receivables.

10. CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
A) Balances with Banks		
In Current Accounts	8.37	10.63
Cash in hand	3.10	5.90
Total (A)	11.47	16.53
B) Other Balance with Banks		
Term Deposits with Original Maturity of More than 3 Months*	58.82	58.82
Accrued Interest on Term Deposits	25.46	20.21
Unpaid Dividend*	12.43	11.63
Total (B)	96.71	90.66
Total (A+B)	108.18	107.19

* Held as lien by the banks or financial institution against the bank guarantee provided to M.S.E.B. and other institutions amounting to ₹ 45.05 Lakhs (₹ 45.05 Lakhs as at March 31, 2019).

* Held as lien by the banks or financial institution against the bank guarantee provided to custom authorities and sales tax institutions amounting to ₹ 18.77 Lakhs (₹ 18.77 Lakhs as at March 31, 2019).

** The Company can utilize these balances only towards the settlement of "Unclaimed Dividend".



11. EQUITY SHARECAPITAL

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number	(₹ in Lakhs)	Number	(₹ in Lakhs)
<u>Authorized</u>				
Equity shares of Rs 10/- each	50,00,000	500.00	50,00,000	500.00
<u>Issued, subscribed and fully paid-up</u>				
Equity shares of Rs 10/- each	29,31,944	293.19	29,31,944	293.19
Total		293.19		293.19

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, 2020		As at March 31, 2019	
	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	-	-	-	-
Outstanding at the end of the reporting period	29,31,944	293.19	29,31,944	293.19

b) Terms / Rights attached to Equity Shares:

- 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.
- 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.
- 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, 2020		As at March 31, 2019	
	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
Total Nos. of Shares Held	21,19,438	72.29	21,19,438	72.29

**12. OTHER EQUITY**

(₹ in Lakhs)

Particulars	Capital Redemption Reserve	Securities Premium	General Reserve	Retained Earnings	Total
Balance as at April 01, 2019 (A)	57.53	358.96	1,191.49	1,040.65	2,648.63
<u>Additions during the Year:</u>					
Net Profit / (Loss) during the year	-	-	-	520.45	520.45
Addition During the Year	773.00	-	0.50	-	773.50
Other comprehensive income for the year	-	-	-	14.02	14.02
Total Comprehensive Income for the year 2019 - 2020 (B)	830.53	358.96	1,191.99	1,575.12	3,956.60
<u>Reductions during the year:</u>					
Adjustment in respect of Gratuity Provision (Net of Taxes)	-	-	-	-	-
Transferred to Capital Redemption Reserve	-	-	(773.00)	-	(773.00)
Equity Dividend for the FY 2018-19	-	-	-	(29.32)	(29.32)
Tax on Equity Dividend	-	-	-	(6.03)	(6.03)
Transfer to General Reserve	-	-	-	(0.50)	(0.50)
Total Reductions during the year (C)	-	-	(773.00)	(35.85)	(808.85)
Balance as at March 31, 2020 (D) = (B - C)	830.53	358.96	418.99	1,539.27	3,147.75

Description of nature and purpose of the Reserves:

- General Reserves:- 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 the another Component of the equity and it is not a part of other comprehensive income.
- Securities Premium Account:- Securities Premium Account is used to record the premium on issue of equity or preference shares. These reserve is utilized in accordance with the provisions of the Companies Act, 2013.
- Investment Subsidy:- Investment Subsidy is created at the time of receipt of capital subsidy for setting up the project from the Governmental authorities. Investment subsidy will not be utilized for any purpose; it will stand as it is in the other equity.
- Capital Redemption Reserve:- Capital Redemption Reserve is created at the time of redemption of preference share by the Company by way of transferring the nominal value of redeemed preference shares. Capital Redemption Reserve is utilized only for the issue of bonus shares by the Company.

13. BORROWINGS (NONCURRENT)

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
A. Secured Loan		
a) From State Bank of India	1,047.93	829.92
b) From Financial Institutions	43.62	111.44
Total (A)	1,091.55	941.36
B. Unsecured loan		
a) From Directors	1,205.17	408.61
Total (B)	1,205.17	408.61



Preference Share Capital		
Authorized:		
1,500,000 Cumulative Redeemable Preference Shares of ₹ 100 Each	15.00	15.00
Issued, Subscribed and Fully Paid Up:		
773,000 8% Cumulative Redeemable Preference Shares of ₹ 100 Each	-	773.00
Total (A+B)	2,296.72	2,122.97

Nature of Securities:

- Term Loan amounting ₹ 1391.39 Lakhs from State Bank of India, Industrial Finance Branch, Bharat Nagar (March 31, 2019, ₹1658.59 Lakhs) are secured by the first pari - passu charge by way of hypothecation of entire movable and immovable Property, Plants and equipment's presently held and held in near future by the Company except on the few machineries on which Edelweiss Retail Finance having their first charge.
- Term Loan amounting ₹ 27.41 Lakhs from Edelweiss Retail Finance Limited (March 31, 2019, ₹ 76.46 Lakhs) are secured by the first pari - passu charge by way of hypothecation of the machineries against which the Company has borrowed the funds.
- Hire Purchase Loans on Vehicles from the financial institution are secured by the hypothecation of the respective Vehicle against which funds has been obtained by the Company.
- All the loans are also further secured by the unconditional and irrevocable personal guarantees of three of the Directors, Shri Virender Kumar Agarwal, Smt. Seema Agarwal and Shri Mayank Agarwal.

Term of Repayments:

- "Term Loan - 1" from State Bank of India has to be repaid on Quarterly Installment basis which started from January 24, 2013 and the full and final installment to be repay on or before July 31, 2021 which carries the rate of interest 14.45% per annum.
- "Term Loan - 2" from State Bank of India has to be repaid on Monthly Installment basis which started from January 11, 2016 and the full and final installment to be repay on or before December 31, 2022 which carries the rate of interest 12.15% per annum.
- Term Loan - 3 from State Bank of India has to be repaid on Monthly Installment Basis which started from 1st November, 2016 and the Full and Final Installment to be repay on or before 31st July, 2023 which carries the Rate of Interest 12.15% per annum.
- Term Loan from Edelweiss Retail Finance Limited has to be repaid on Monthly Installment basis which is started from June 05, 2015 and the full and final installment to be repay on or before October 05, 2020 which carries the rate of interest 15.00% per annum.
- Vehicle Hire Purchase Loan from HDFC Bank Limited has to be repaid on Monthly Installment of ₹ 0.87 Lakhs which started from April 07, 2014 and the full and final Installment to be repay on or before February 07, 2022 which carries the rate of interest 9.35% per annum.
- Vehicle Hire Purchase Loan from ICICI Bank Limited has to be repaid on Monthly Installment of ₹ 1.01 Lakhs which started from May 01, 2016 and the full and final installment to be repay on or before April 01, 2021 which carries the rate of interest 9.35% per annum.
- Vehicle Hire Purchase Loan from Union Bank Limited has to be repaid on Monthly Installment of ₹ 0.67 Lakhs which started from January 12, 2020 and the full and final installment to be repay on or before December 12, 2026 which carries the rate of interest 8.60% per annum.
- All other loans from the Inter - Corporate, Other parties and Related parties are repayable on demand basis, which carries the interest at the rate of 12% - 15%.



Preference Share Capital:

a) Reconciliation of the shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number	(₹ in Lakhs)	Number	(₹ in Lakhs)
At the beginning of the reporting period	7,73,000	773.00	7,73,000	773.00
Add: Issued during the reporting period	-	-	-	-
Less: Redeem during the reporting period	(7,73,000)	(773.00)	-	-
Outstanding at the end of the reporting period	-	-	7,73,000	773.00

b) Details of Cumulative Redeemable Preference Shares:

Particulars	As at March 31, 2020		As at March 31, 2019		Date of Share Issue	Date of Redemption
	No. of Shares held	(₹ in Lakhs)	No. of Shares held	(₹ in Lakhs)		
8% Cumulative Redeemable Preference Share of ₹ 100/- each	-	-	5,50,000	550.00	18-Jul-2011	12-Mar-2020
8% Cumulative Redeemable Preference Share of ₹100/- each	-	-	2,23,000	223.00	20-Mar-2012	12-Mar-2020
Total Nos. of Shares Held	-	-	7,73,000	773.00	-	-

c) Terms / Rights attached to Preference Shares:

- The Company has only one class of Preference Shares having per value of ₹ 100/- per share.
- The Actual date of redemptions of Preference Shares was 17-Jul-2023 & 19-Mar-2024 but company has redeemed the same on 12-Mar-2020.

14. OTHER FINANCIAL LIABILITIES (NON CURRENT)

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
A. Non-Current		
<u>Others</u>		
Retention Money related to Capital Expenditures	-	-
Rental Deposits	4.59	0.64
Total (A)	4.59	0.64
B. Current		
<u>Current Maturities of Long Term Debts</u>		
Current Maturities of Term Loan from Banks	343.46	425.36
Current Maturities of Hire Purchase Loans	51.03	1.62
<u>Investor Education and Protection Fund*</u>		
Unclaimed / Unpaid Dividend	12.42	11.63
<u>Others</u>		
Interest Accrued but not yet due	10.01	-
Payable towards Expenses	137.41	110.95
Payable to Employees	227.77	186.82
Total (B)	782.10	736.38
Total (A+B)	786.69	737.02



* There are no amount due for payments towards the "Investor Education and Protection Fund" under section 125 of the Companies Act, 2013 as at the end of the Reporting Period.

15. PROVISIONS

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
A. Non-Current		
Provisions for employee benefits		
Gratuity (Unfunded)	400.18	385.73
Leave Encashment (Unfunded)	22.95	29.01
Total (A)	423.13	414.74
B. Current		
Provisions for employee benefits		
Provision of Gratuity	19.33	11.53
Provision of Leave Encashment	3.57	1.78
Others		
Interest Expenses on Preference Shares	-	61.84
Income Tax on Interest on Preference Shares	-	12.71
Total (B)	22.90	87.86
Total (A+B)	446.03	502.60

16. OTHER LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
A. Non-Current		
Others		
Advances Against Property	65.00	65.00
Deferred Revenue arising from Grants and Subsidies	46.28	50.53
Total (A)	111.28	115.53
B. Revenue received in Advances [Current]		
Advances from customers	32.41	12.32
Statutory Dues Payables		
Indirect Tax Payable	9.84	10.83
Total (B)	42.25	23.15
Total (A+B)	153.53	138.68

17. DEFERRED TAX LIABILITIES (NET)

(₹ in Lakhs)

The major components of deferred tax (liabilities)/ assets arising on account of timing difference as at March 31, 2020 are as follows:

Particulars	Balance Sheet	Profit and Loss	OCI	Balance Sheet
	01.04.2019	2019-20	2019-20	31.03.2020
Difference between written down value/capital work in progress of fixed assets as per the books of account and Income Tax Act, 1961.	567.43	16.02		583.45
Expenses Claimed for tax purpose on payment basis	(26.01)	(3.30)		(29.31)
On account of pre measurement of defined benefit plans	(97.76)	(13.54)	5.41	(105.89)
On account of MAT credit entitlement	(120.74)	83.89		(36.85)



Deferred Tax (Expenses) / Benefit		83.08	5.41	
Net Deferred Tax Liabilities	322.92			411.39

As at March 31, 2019:

Particulars	Balance Sheet	Profit and Loss	OCI	Balance Sheet
	01.04.2018	2018-19	2018-19	31.03.2019
Difference between written down value/capital work in progress of fixed assets as per the books of account and Income Tax Act, 1961.	636.12	(68.69)		567.43
Expenses Claimed for tax purpose on payment basis	(29.24)	3.23		(26.01)
On account of pre measurement of defined benefit plans	(136.64)	26.12	12.76	(97.76)
On account of MAT credit entitlement	(149.36)	28.62		(120.74)
Deferred Tax (Expenses) / Benefit		(10.73)	12.76	
Net Deferred Tax Liabilities	320.89			322.92

18. BORROWINGS (CURRENT)

(₹ in Lakhs)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Secured		
<u>Loans Repayable on Demand</u>		
Working Capital Loans From Banks	1,170.22	1,628.05
FCNB with State Bank of India	-	-
	1,170.22	1,628.05
Unsecured		
Export Packing Credits (EPC)	97.06	103.99
Total	1,267.28	1,732.04

Nature of Securities:

- a) Working Capital Loans from the Banks and Financial Institution are secured by way of first paripassu charges on hypothecation of entire inventories, book debts, claims and other receivables related with the Company presently held and held in the near future and also the first charge on Corporate office of the Company situated at "Kanha Apartment, Nagpur" by way of second charge on all the movable and immovable Property, Plants and equipment's except on machineries having encumbered charge is created by Edelweiss Retail Finance Limited for ₹ 201 Lakhs in which the State Bank of India created the second charge.
- b) All the Working Capital Loans are further secured by the unconditional and irrevocable personal guarantees of three Directors, Shri Virender Kumar Agarwal, Smt. Seema Agarwal and Shri Mayank Agarwal.

19. TRADE PAYABLES

(₹ in Lakhs)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
<u>Trade Payables (Including Acceptance)*</u>		
Due to Micro and Small Enterprises**	25.89	12.72
Due to Others	871.46	1,133.78
Total	897.35	1,146.50



Notes * Refer "Note No. 29c" for the Information of Credit Risk and Market Risk.

Notes ** 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)

Particulars	As at March 31, 2020	As at March 31, 2019
Principal amount due to the suppliers registered under the MSMED Act, 2006 and remaining amount unpaid at the end of the year.	25.89	12.72
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.	-	-

20. CURRENT TAX LIABILITIES (NET)

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for Income Tax (Net)		
Provision for Income Tax	-	114.67
Less :- Advance Income Tax	-	85.00
Tax Deducted at Source Receivables	-	0.95
TCS Receivables	-	-
Income tax for earlier year	-	14.61
Total	-	14.11

21. REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
a) <u>Sale of products</u>		
Domestic Market	13,094.30	13,077.65
Export Market	1,978.76	1,999.31
Export - Merchants	1,064.96	1,706.37
Total Sale of Products	16,138.02	16,783.33
b) <u>Sale of Services</u>		
Job Work Receipts	-	-
Total Sale of Services	-	-
c) <u>Other Operating Revenue</u>		
Waste Sales	49.75	14.73
Duty Draw Back Credit	31.53	68.16
Total Other Operating Revenue	81.28	82.89
Total Revenue From Operations	16,219.29	16,866.22

**22. OTHER INCOME**

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
<u>Interest Income</u>		
On Investments measured at Fair Value through Other Comprehensive Income	-	-
On Other Financial Assets carried at Amortized Cost	5.84	3.50
On Other Assets	4.17	2.19
<u>Insurance Claim</u>	-	1.63
<u>Other Non - Operating Revenues</u>		
Income from Rent	10.00	12.00
Credit Balance written Back	20.41	0.96
Grant/Subsidy (Deferred)	4.25	2.61
<u>Other Gain or (Loss)</u>		
Net Foreign Exchange Gain	38.57	37.27
Net Gain on Disposal of Property, Plants and Equipment's	4.63	-
Sale of Scraps - Others	6.20	3.04
Total	94.07	63.20

23. COST OF MATERIALS CONSUMED

Particulars	As at March 31, 2020	As at March 31, 2019
Raw materials at the beginning of the year	566.89	620.51
Add :- Purchases made during the year	9,227.82	10,363.04
Less :- Raw materials at the end of the year	664.71	566.89
Total Raw materials consumed	9,130.00	10,416.66

24. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROCESS AND STOCK-IN-TRADE

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Stock at the beginning of the year:		
Finished goods - Yarn	459.48	453.83
Stock-in-process	360.10	515.49
Waste	0.50	0.19
Total	820.08	969.51
Stock at the end of the year:		
Finished goods - Yarn	409.76	459.48
Stock-in-process	251.93	360.10
Waste	0.24	0.50
Total	661.93	820.08
(INCREASE) / DECREASE IN STOCK	158.15	149.43

25. EMPLOYEE BENEFIT EXPENSES*

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Salary, Wages, Incentives and Managerial Remuneration	1,957.84	1,732.02
Contributions to:		
Provident Fund	49.50	43.70
Pension Fund	68.64	64.62



Other Fund	31.59	30.04
Bonus	79.45	59.47
Staff Welfare Expenses	56.23	58.43
Total	2,243.25	1,988.28

* Refer "Note No. 36" for further references.

26. FINANCE COST

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Interest on Financial Liabilities carried at Amortized Cost		
Interest on Term Loans	160.83	198.09
Interest on Working Capital Loans	153.06	188.14
Interest on Other Loans	4.45	4.59
Interest on Loans from Other Parties	55.57	70.06
Other Interest Expenses	118.65	57.09
Interest Expenses on Preference Shares (Inclusive of Corporate Income Tax)	70.68	74.55
Total	563.24	592.52

27. DEPRECIATION AND AMORTISATION EXPENSES

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Depreciation	455.73	446.08
Total	455.73	446.08

28. OTHER EXPENSES

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Consumption of Stores and Spares	394.69	275.87
Packing materials and charges	397.51	335.46
Power & Fuel	1,263.07	1,419.89
<u>Repairs and Maintenance Expenses:</u>		
For Plant and Machineries	4.34	4.41
For Building	31.49	17.63
For Other Maintenance Charges	37.20	37.05
Rent, Rates and taxes	62.61	63.50
License Fees	7.12	4.88
Conveyance and Travelling expenses	44.10	45.18
Directors Sitting Fees	0.35	0.69
Insurance	26.69	9.18
Legal and Professional Charges	36.85	24.62
Postage, Telephone & Mobile Expenses	11.74	15.77
Selling and Distribution Expenses	636.85	592.94
Administrative and Other Expenses	35.84	31.14
Payment to Auditor (Refer Note No. 28.1)	2.05	1.50
Cost Audit Fees	0.50	0.50
Sundry Balances Witten Off	0.06	0.03
Security Expenses	20.35	19.63
Total	3,013.41	2,899.87

**28.1. PAYMENTS TO AUDITORS**

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
As Auditor's:		
Statutory Audit Fee	1.65	1.25
Tax Audit Fee	0.40	0.25
Certification Fee and Other Services	-	-
For Reimbursement of Expenses	-	-
Total	2.05	1.50

29. CURRENT TAX

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Reconciliation of Tax Expenses and Accounting Profit for the Year as under:		
Profit / (Loss) for Before Income Tax	749.58	436.58
Income Tax Expenses Calculated @ 16.692%*	125.12	89.88
Tax Effect on Non - Deductible Items	15.04	24.79
Income Tax Related to Earlier Year	4.36	(9.38)
Interest Provision On Tax	1.53	-
	146.05	105.29
Adjustments in respect of Current Income Tax of Previous Year	-	-
Total	146.05	105.29

* The tax rate used for reconciliation of the above is the Corporate tax rate {Minimum Alternative Tax (MAT)} of 16.692% payable by the Corporate entities in India on Taxable Profit under Indian Income Tax Laws.

29a. CATEGORY WISE CLASSIFICATION OFFINANCIAL INSTRUMENTS

(₹ in Lakhs)

Particulars	Notes	As at March 31, 2020	As at March 31, 2019
I) Financial Assets:			
a. Non - Current			
<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)		-	-
Total (A)		-	-
<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		-	-
Total (B)		-	-
<u>C) Financial Assets measured at Amortized Cost</u>			
Security Deposits	14	4.59	0.64
Other Deposits	05	0.21	0.21
Term Deposits held as Margin Money against Bank Guarantee and Other Commitments	10B	58.82	58.82



Total (C)		63.62	59.67
Total (A+B+C)		63.62	59.67
<u>b. Current</u>			
<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)		-	-
Total (A)		-	-
<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		-	-
Total (B)		-	-
<u>C) Financial Assets measured at Amortized Cost</u>			
Investment in Unquoted Government Securities			
Trade Receivables	09	1,388.97	1,580.94
Cash and Bank Balances	10A	11.47	16.53
Other Balances with Banks	10B	12.43	11.63
Accrued Interest on Term Deposits	10B	25.46	20.21
Total (C)		1,438.33	1,629.31
Total (A+B+C)		1,438.33	1,629.31
II) Financial Liabilities:			
<u>a. Non - Current</u>			
<u>Financial Liabilities measured at Amortized Cost</u>			
Borrowings from Banks	13	1,047.93	829.92
Borrowings from Financial Institutions	13	-	76.46
Borrowings for Hire Purchase Loans	13	43.62	111.44
Inter - Corporate and Related Parties Loans	13	1,205.17	408.61
Preference Share Capital	13	-	773.00
Rental Deposits	13	-	-
Total		2,296.72	2,199.43
<u>Financial Liabilities</u>			
<u>Current</u>			
<u>Financial Liabilities measured at Amortized Cost</u>			
Working Capital Loans from Bank	18	1,170.22	1,628.05
Export Packing Credits (EPC)	18	97.06	103.99
Trade Payables	19	897.35	1,146.50
Current Maturities of Long Term Loans	14	394.49	426.98
Unpaid / Unclaimed Dividend	14	12.42	11.63
Interest Accrued but not yet due	14	10.01	-
Payable towards Services	14	-	-
Payable towards Expenses	14	137.41	110.95
Payable towards Employees	14	227.77	186.82
Total		2,946.73	3,614.92



29b. FAIR VALUE MEASUREMENTS

(i) Financial Instruments measured at fair value through other comprehensive income and 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 said clause does not applicable to the Company for all the Reporting Periods presented in Ind AS financial statements.

The Company neither has any financial liabilities which has to be measured at fair value through profit or loss so the reporting under the Ind AS – 109, Fair Value does not applicable to the Company in respect of all the reporting periods presented in Ind AS financial statements.

(ii) 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.

29c. FINANCIAL RISK MANAGEMENT – OBJECTIVES AND POLICIES

The Company's financial liabilities comprise mainly the borrowings, trade and other payables. The Company's financial assets comprise mainly of inventories, cash and cash equivalents, other balances with banks, trade and other receivables.

The Company is exposed to the Market Risk, Credit Risk and Liquidity Risk. The Board of Directors ("the Board") oversees the management of these financial risks. The Risk Management Policy of the Company formulated and approved by the Board, states 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 borrowings, trade payable, trade receivables and derivative financials instruments.

a) Interest Rate Risk:

Interest Rate Risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Since the Company has insignificant interest bearing borrowings, the exposure to risk of changes in market interest rates is minimal. The Company has not used any interest rate derivatives.



b) Foreign Currency Risk:

Foreign Currency Risk is the risk that the fair value or future cash flows of an exposure will fluctuate due to changes in foreign exchange rates. 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 changes in foreign exchange rates. 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.

Currency	Liabilities		Assets	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
USD(\$)	4,07,102	--	2,48,880	--
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. 35a" and the details of un-hedged exposures are given as part of "Note No.35b".

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, 2020, the carrying value of such equity instruments recognized at amounts FVTOCI amounts to ₹ NIL (March 31, 2019 ₹NIL).

The Company is also exposed to price risk arising from investments in bonds recognized at FVTOCI. As at March 31, 2020, the carrying value of such instruments recognized at amounts FVTOCI amounts to ₹ NIL (March 31, 2019 ₹ NIL). These being in the debt instruments, the exposure to risk of changes in the market rate are minimal.

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, other balances with banks and other receivables.

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 counter parties.

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 30 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 10% of total balance of trade receivables.

For trade receivable, as a practical expedient, the Company computes credit loss allowance based on a provision matrix. The provision matrix is prepared based on the historically observed default rates over the expected life of trade receivables and is adjusted for forward - looking estimates. The provision on trade receivable is not ascertained and estimated by the Company's management because in normal circumstances the Company has received the advance payment from its customers before dispatches of consignments.

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 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:
(₹ in Lakhs)

As at March 31, 2020	Less than 1 Year	Between 1 to 5 years	More than 5 years	Total	Carrying Value
Borrowings	1,267.28	2,296.72	--	3,564.00	3,564.00
Other Financial Liabilities	782.10	4.59	--	786.69	786.69
Trade Payable	871.46	--	--	871.46	871.46
As at March 31, 2019	Less than 1 Year	Between 1 to 5 years	More than 5 years	Total	Carrying Value
Borrowings	1,732.04	2,122.97	--	3,855.01	3,855.01
Other Financial Liabilities	736.38	0.64	--	737.02	737.02
Trade Payable	1,133.78	--	--	1,133.78	1,133.78

29d. CAPITAL MANAGEMENT

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, 2020, 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 re – investment into business based on its long term financial plans.



30. RELATED PARTY TRANSACTIONS

The Company's related party transactions and outstanding balances with whom the Company had entered into transactions in the ordinary course of business are as follows:

List of Related Parties and their relationship:

1. Directors and Key Managerial Personnel (KMP):

- | | | | |
|----|-----------------------------|---|--|
| a) | Shri Virender Kumar Agarwal | - | Managing Director |
| b) | Smt. Seema Agarwal | - | Joint Managing Director |
| c) | Shri Mayank Agarwal | - | Whole-time Director |
| d) | Shri Amit Goela | - | Independent Director |
| e) | Shri Sushil Kapadia | - | Independent Director |
| f) | Shri Nilesh Panpaliya | - | Independent Director (w.e.f. 03.07.2019) |
| g) | Shri Gajanan Chhawsaria | - | Chief Financial Officer |
| h) | Ms. Deepa Dudani | - | Company Secretary |

2. Entities in which key management personnel and/or their relatives have significant influence:

- | | |
|----|-----------------------------------|
| a) | Virender Kumar Agarwal (HUF) |
| b) | Mayank Agarwal (HUF) |
| c) | Suryalata Spinning Mills Limited |
| d) | Agatha Developers Private Limited |

3. Relatives of Directors & KMP:

- | | | | |
|----|------------------------|---|-----------------------------|
| a) | Shri Pujit Agarwal | - | Son of Managing Director |
| b) | Smt. Cadambari Agarwal | - | Wife of Whole-time Director |

4. Post Employment Benefits Plan Entities

Suryaamba Spinning Mills Limited Gratuity Trust.

Terms and Conditions with the transactions with related parties as under:

The Company routinely enters into transactions with these related parties in the ordinary course of business at market rates and terms. 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.

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:

(₹ in lakhs)

Sr. No	Particulars	Related Parties where significant influences exists	Directors & KMP	Relatives of Directors & KMP	As at March 31, 2019
1.	Remuneration*				
	Shri Virender Kumar Agarwal	-	30.02	-	30.01
	Smt. Seema Agarwal	-	24.29	-	24.29
	Shri Mayank Agarwal	-	19.23	-	19.23
	Shri Pujit Agarwal	-	-	31.29	30.29



	Smt. Cadambari Agarwal	-	-	25.12	24.12
	Shri Gajanan Chhawsaria	-	15.52	-	14.01
	Ms. Deepa Dudani	-	3.46	-	2.86
2.	Payment of Interest				
	Smt. Seema Agarwal	-	22.71	-	16.71
	Shri Mayank Agarwal	-	14.20	-	1.62
	Shri Virender Kumar Agarwal	-	1.57	-	-
	Mayank Agarwal (HUF)	-	-	-	1.63
	Shri Pujit Agarwal	-	-	-	4.26
3.	Payment of Rent				
	Smt. Seema Agarwal	-	42.51	-	46.02
4.	Director Sitting Fees^				
	Shri Amit Goela	-	0.15	-	0.15
	Shri Sushil Kapadia	-	0.15	-	0.15
	Shri Nilesh Panpaliya	-	0.05	-	-
	Shri Manish Kumar	-	-	-	0.09
5.	Receipt of Unsecured Loans				
	Smt. Seema Agarwal	-	633.07	-	505.52
	Shri Virender Kumar Agarwal	-	145.00	-	-
	Shri Mayank Agarwal	-	134.54	-	104.61
6.	Repayment of Unsecured Loans				
	Smt. Seema Agarwal	-	132.35	-	383.99
	Shri Mayank Agarwal	-	9.05	-	15.40
	Mayank Agarwal (HUF)	-	-	-	15.00
	Shri Pujit Agarwal	-	-	-	74.36
7.	Purchase of Yarn				
	Suryalata Spinning Mills Limited	91.41	-	-	19.27
8.	Preference Dividend				
	Shri Virender Kumar Agarwal	--	21.04	-	10.80
	Virender Kumar Agarwal (HUF)	10.91	-	-	5.60
	Smt. Seema Agarwal	--	55.79	-	28.64
	Shri Mayank Agarwal	--	7.79	-	4.00
	Mayank Agarwal HUF	7.79	-	-	4.00
	Shri Pujit Agarwal	--	-	17.14	8.80
9.	Advance Against Property				
	Agatha Developers Private Limited	-	-	-	65.00

* Includes Employee Benefit Plans.

^ Excludes conveyance and out of pocket expenses.

**Balances Payable to Related Parties as on March 31, 2020**

Sr. No	Particulars	Related Parties where significant influences exists	Directors & KMP	Relatives of Directors & KMP	As at March 31, 2019
1.	Interest Payable				
	Smt. Seema Agarwal	-	4.38	-	9.84
	Shri Mayank Agarwal	-	1.69	-	1.51
2.	Rent Payable				
	Smt. Seema Agarwal	-	3.51	-	-
3.	Loan Outstanding				
	Smt. Seema Agarwal	-	746.42	-	245.60
	Shri Virender Kumar Agarwal	-	140.05	-	-
	Shri Mayank Agarwal	-	226.61	-	101.01
4.	Outstanding Preference Dividend				
	Shri Virender Kumar Agarwal	-	-	-	10.80
	Virender Kumar Agarwal (HUF)	-	-	-	5.60
	Smt. Seema Agarwal	-	-	-	28.64
	Shri Mayank Agarwal	-	-	-	4.00
	Mayank Agarwal (HUF)	-	-	-	4.00
	Shri Pujit Agarwal	-	-	-	8.80
5.	Post Employment Benefits Plan Entities				
	Suryaamba Spg Mills Limited	-	-	-	4.30
	Gratuity Trust	-	-	-	-
6.	Advance against property				
	Agatha Developers Private Limited	-	-	65.00	65.00

31. DIVIDEND

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
a) Dividend on equity shares paid during the year:		
Final Dividend for the F. Y. 2018 - 2019 { ₹ 1 per equity shares of ₹ 10 Each}	29.32	29.32
Dividend distribution tax on final dividend	6.03	5.97
TOTAL	35.35	35.29

Proposed Dividend:

The Board of Director's at its meeting held on June 29, 2020 have recommended a payment of final dividend of ₹0.60 per Equity Shares of Face Value ₹ 10 Each for the financial year ended March 31, 2020. The Company has proposed the dividend of ₹ 20.53 Lakhs including the Dividend Distribution tax (₹ 2.94 Lakhs).

The above is subject to approval at the ensuing Annual General Meeting of the Company and hence it is not recognized as "Liability" in the Ind AS financial statements.



32. CONTINGENT LIABILITIES AND COMMITMENTS

(₹ in Lakhs)

a. Contingent Liabilities	As at March 31, 2020	As at March 31, 2019
Bank Guarantees given by the Company's Banker's towards the MSEDCL Security Deposits	160.77	150.77
Inland Letter of Credit against Raw Materials Purchases	-	-
Bill discounted with the Company's Banker's under the Letter of Credit	17.60	337.51
TOTAL	178.37	488.28
b. Other Commitments	As at March 31, 2020	As at March 31, 2019
1. Estimated amount of contracts remaining to be executed on capital account and not provided for:		
i. Towards Property, Plant and Equipment	-	-
ii. Towards Intangible Assets	-	-
2. For derivative contract related commitments	-	-
TOTAL	-	-

33. SEGMENT REPORTING

During the reporting period, the Company operated in only one segment i.e. Yarn Manufacturing. Hence, the Ind AS 108, "Operating Segment" is not applicable to the Company.

34. CORPORATE SOCIAL RESPONSIBILITIES

In term of requirement of Section 135 of the Companies Act, 2013, the Company is not covered under the purview of eligibility criteria for the applicability of Corporate Social Responsibilities Expenses in the reporting period presented by the Company in Ind AS financial statements.

35. DETAILS OF HEDGED AND UNHEDGED EXPOSURES IN FOREIGN CURRENCY DENOMINATED MONETARY ITEMS

a) Exposure in foreign currency - Hedged

The Company enters in to forward exchange contracts to hedge its foreign currency exposures relating to the underlying transactions and firm commitments. The Company 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 Reporting Period:

Currency	Number of Contracts	Buy Amount (In USD \$)	Indian Rupee Equivalents
Forward contracts to buy USD (\$) - As At March 31, 2020	3	3,58,000	269.88
Forward contracts to buy USD (\$) - As At March 31, 2019	-	-	-

b) Exposure in foreign currency - Unhedged

The foreign currency exposure not hedged as at March 31, 2020 are as under:



Currency	As at March 31, 2020	As at March 31, 2019
Payable in USD	49,102	36,362
Payable in ₹ Lakhs	37.03	25.15
Receivable in USD	2,48,880	8,38,358
Receivable in ₹ Lakhs	187.62	529.52

36. DISCLOSURE PURSUANT TO EMPLOYEE BENEFITS

a. Defined Contribution Plans:

Amount of ₹149.73 Lakhs (March 31, 2019 ₹ 138.35 Lakhs) is recognized as expenses in the Ind AS financial statements and separately disclosed in "Note No. 25" - "Employee Benefit Expenses".

Particulars	As at March 31, 2020	As at March 31, 2019
Provident Fund	49.50	43.70
Pension Fund	68.64	64.62
Other Fund administrated by the Company	31.59	30.04
TOTAL	149.73	138.36

The Company's Provident Fund is administrated by the Trust. The rules of the Company's Provident Fund administrated by the Trust require that if the Board of the trustee are unable to pay interest at the rate declared for Employees' Provident Fund by the Government under Para 60 of the Employees' Provident Fund Scheme, 1952 for the reason that the return on investment is less or for any other reason, then the deficiency shall be made good by the Company. Having regard to the assets of the fund and the return on the investments, the Company does not expect any deficiency in the foreseeable future.

b. Defined Benefit Plans:

The Company has following post employment benefits which are in the nature of defined benefit plan:

a) Gratuity

The Company provides for Gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of five years are eligible for Gratuity. The amount of gratuity payable on retirement / termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is unfunded plan.

The major categories of plan assets of the fair value of the total plan assets of Gratuity are as follows:
Assets and Liability (Balance Sheet Position)

Particulars	As at March 31, 2020	As at March 31, 2019
Present Value of Obligation	419.50	397.27
Fair Value of Plan Assets	3.27	5.17
Surplus / (Deficit)	416.23	392.10
Effects of Asset Ceiling, if any	-	-
TOTAL	416.23	392.10



Expenses recognized during the Reporting Period:

Particulars	As at March 31, 2020	As at March 31, 2019
In Income Statements	56.44	54.52
In Other Comprehensive Income	(19.43)	(45.88)
TOTAL	37.01	8.64

Actuarial Valuation Method:

The valuation has been carried out using the Project Unit Credit Method as per the Ind AS-19 to determine the present Value of Defined Benefit Obligations and the related Current Service Cost, where applicable, Past Service Cost.

It should be noted that the valuations do not affect the ultimate cost of the plan, only the timing of when the benefits cost are recognized.

Changes in Present Value of Obligation:

Particulars	As at March 31, 2020	As at March 31, 2019
Present Value of the Obligation at beginning of the Period	397.27	413.48
Current Service Cost	26.18	22.29
Interest Expenses or Cost	30.65	32.23
<i>Re-measurement (Gain) / Loss arising from:</i>		
Change in Financial Assumptions	(9.57)	51.01
Experience Variance (i.e. Actual Experience vs Assumptions)	(11.93)	(96.89)
Past Service Cost	-	-
Benefits Paid	(13.10)	(24.85)
Present Value of the Obligation at the end of Period	419.50	397.27

Changes in Fair Value of Plan Asset:

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Fair Value of Plan Assets at the beginning of the year	5.17	8.03
Investment Income	0.40	-
Employer's Contribution	10.00	-
Employee's Contribution	-	-
Benefits Paid	(10.24)	-
Return on plant assets, excluding amount recognized in net interest expenses	(2.07)	-
Acquisition Adjustments	-	(2.86)
Fair Value of Plan Assets at the end of Period	3.26	5.17

Financial Assumptions:

Particulars	As at March 31, 2020	As at March 31, 2019
Discount Rate (per annum)	6.88%	7.70%
Salary Growth rate (per annum)	6.00%	7.00%
Mortality Rate (% of IALM 2012 - 14) (% of IALM 2006 - 08)	100.00%	100.00%
Normal Retirement Age	60 Years	60 Years
Attrition / (Withdrawal) Rate (per annum)	1.00%	1.00%

Summary of Membership Status:

(₹ in Lakhs)



Particulars	As at March 31, 2020	As at March 31, 2019
Number of Employees	465.00	473.00
Total Monthly Salary (in ₹ Lakhs)	56.60	57.74
Average Past Service (Years)	14.14	13.42
Average Age (Years)	41.97	41.33
Average Remaining Working Life (Years)	18.03	18.67
Number of Completed year valued	6,577.00	6,350.00
Decrement adjusted remaining working life (Years)	15.37	15.85

Sensitivity Analysis:

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Defined Benefit Obligation (Base)	419.50	397.27

Particulars	As at March 31, 2020		As at March 31, 2019	
	Decrease	Increase	Decrease	Increase
<u>Discount Rate (- / + 1%)</u>	478.03	369.79	453.67	349.53
(% Change compared to base due to Sensitivity)	14.00%	-11.90%	14.20%	-12.00%
Salary Growth Rate (- / + 1%)	369.75	477.11	350.66	451.04
(% Change compared to base due to Sensitivity)	-11.90%	13.70%	-11.70%	13.50%
Attrition Rate (- / + 50% of Attrition Rate)	417.52	421.38	395.42	398.99
(% Change compared to base due to Sensitivity)	-0.50%	0.40%	-0.50%	0.40%
Mortality Rate (- / + 50% of Attrition Rate)	419.34	419.66	397.11	397.42
(% Change compared to base due to Sensitivity)	0.00%	0.00%	0.00%	0.00%

Effect of Plan on Entity's Future Cash Flows (For Gratuity)

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Weighted Average Duration (Based on discounted Cash flows)	13 Years	13 Years
For One Years	7.79	11.53
For Two to Five Years	39.46	35.16
For Six to Ten Years	157.64	158.70
For More than Ten Years	933.45	1,047.26

c. Other Long Term Employee Benefits:

Leave Encashment:

Amount of ₹ 12.60 Lakhs (March 31, 2019 ₹ 23.49 Lakhs) is recognized as expenses in the Ind AS financial statements and separately disclosed in "Note No. 25" - "Employee Benefit Expenses".

**37. EARNINGS PER SHARE**

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Net Profit after tax as per the Statement of Profit or Loss attributable to the holder of Equity Shares	520.45	342.02
Nominal Value of Equity Shares (₹)	10.00	10.00
Weighted average number of Equity Shares used as denominator for calculating the earnings per share	29.32	29.32
Basic and Diluted Earnings Per Share	17.75	11.67

38. Previous years audited figures has been regrouped / re-casted / rearranged wherever necessary to make them comparable for the purpose of preparation and presentation of Ind AS financial statements.

SIGNATURE TO THE NOTE "1" TO NOTE "38"

The accompanying notes are forming integral part of the Financial Statements

As per our attached report of even date

For **S. VENKATADRI & CO.**
Chartered Accountants
FRN No.: 004614S

For and on behalf of the Board of Directors

K. Srinivasa Rao
Partner
Membership No. 201470
UDIN:20201470AAAACE2533

Virender Kumar Agarwal
Managing Director
DIN:00013314

Seema Agarwal
Jt. Managing Director
DIN: 01430206

G. N. Chhawsaria
Chief Financial Officer

Deepa Dudani
Company Secretary
M. No. A54559

Place :Hyderabad
Date: June 29, 2020

Place :Nagpur
Date: June 29,2020

Place :Nagpur
Date: June 29,2020



**SURYAAMBA
SPINNING MILLS
LIMITED**

Factory site

