



SURYALATA SPINNING MILLS LIMITED

CIN-L18100TG1983PLC003962 - GST No : 36AADCS0823M1ZA

(An ISO 9001 : 2015 Certified Company)



Date: 6th September 2023

To
The Listing Department
BSE limited
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai - 400 001
Maharashtra, India

Dear Sir/Madam,

Sub: Submission of Notice of 40th Annual General Meeting (AGM) and Annual Report for the financial year 2022-23 under Regulation 30 and 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

This is to inform you that the 40th Annual General Meeting ('AGM') of the members of the Company is scheduled to be held on **Friday, 29th September, 2023 at 11.00 A.M.** through Video Conference ('VC')/Other Audio Visual Means ('OAVM') without physical presence of the members at a common venue (as mentioned in the notice of AGM), in compliance with the provisions of the Companies Act, 2013 and Rules framed there under and the SEBI (Listing Obligations and Disclosure Requirements Regulations), 2015 ('SEBI Listing Regulations, 2015') read with MCA Circulars dated 28th December 2022, 5th May 2020, 8th April 2020, 13th April 2020 and 13th January 2021 (collectively referred to as 'MCA Circulars') and SEBI Circulars dated 12th May 2020 and 15th January 2021 (collectively referred to as 'SEBI Circulars'), to transact the business as set out in the Notice convening the 40th AGM.

In this connection, please find enclosed herewith the 40th Annual Report of the Company for the financial year ended 31st March, 2023 along with the Notice of AGM. In terms of Regulation 46 of the SEBI Listing Regulations, 2015, the said Annual Report and Notice of 40th AGM and other relevant documents are also uploaded on the Company's website at <https://www.suryalata.com/investors.html>.

Further, in terms of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management & Administration) Rules, 2014 (as amended), and Regulation 44 of SEBI Listing Regulations, 2015, the Company is providing the facility to its Members (holding shares either in physical or dematerialized form) to exercise their right to vote by electronic means through Remote e-voting or voting through electronic means during the AGM, on the businesses specified in the Notice convening the 40th AGM of the Company.

This is for your information and record.

Thanking you,
Yours faithfully,

For SURYALATA SPINNING MILLS LIMITED

VITHALDAS AGARWAL
MANAGING DIRECTOR
DIN: 00012774



Suryalata Spinning Mills Limited

**40
YEARS**



**Success with
Spin & Solar**

**Annual Report
2022 - 23**



*Memories Linger Everyday
But Beautiful Memories Kept Silently
Those Memories are not Just about the Past
They Determine our Future*

- Suryalata Team



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PERFORMANCE AT GLANCE FOR 5 YEARS

Year	2018-19	2019-20	2020-21 [#]	2021-22	2022-23 (Standalone)
1.Spndile Capacities(No's)	115,272	115,272	116,976	116,976	117,456
2. Spindle Utilization (%)	95.53%	90.81%	80.08%	94.64%	95.70%
3.Qty of Production (MTS)	25,152	26,520	21,488	26,427	27,497
4.Stock of FG (in MTS)	588	667	1766	431	457
5.Quantity of Sales (in MTS)	24,884	26,436	20,414	27,757	27,467
6. AVG.Sale Price (Per KG)	156.02	139.45	135.32	172.31	174.09
7.AVG.RM Cost (Per KG)	103.07	85.06	74.34	103.06	109.01
8. Revenue from Operations				(All amounts in ₹ Lakhs)	
Domestic Sales	33,625	32,261	25,524	39,335	42,911
Export Sales	5,198	4,603	2,100	8,494	4,907
Export Benefit Entitlement	164	150	29	205	108
Total	38,987	37,014	27,653	48,034	47,926
9. Other Income	124	145	105	169	384
10. Total Income	39,111	37,159	27,758	48,203	48,310
11.EBIDT	4,197	4,242	4,916	8,079	6,063
12.Finance charges	1,035	1,145	1,149	878	527
13.Profit before interest and Depreciation	3,162	3,097	3,766	7,201	5,536
14.Depreciation	840	1,106	1,119	1,143	1,207
15.Profit before tax	2,322	1,991	2,647	6,058	4,329
16.Taxes*	899	580	771	1,283	1,226
17.Profit after tax	1,423	1,411	1,876	4,775	3,103
18.Bank Borrowings	10878	8509	7019	5,320	4,769
19.Networth	11535	12931	14848	19546	22636
20.Bank Borrowings/ Equity Ratio(%)	0.94	0.66	0.47	0.27	0.21
21.Earning per share in Rs	33.34	33.06	43.99	111.91	72.73
22..Dividend (%)	18	10	20	30	30
23.Work Force Strength (Nos)	1457	1492	1376	1497	1456

Covid-19 Pandemic period

CHAIRMAN'S SPEECH

On behalf of the Board, I welcome all my shareholders and distinguished invitees to the 40th Annual General Meeting (AGM) of your Company. We have travelled through various cycles of ups and downs and am extremely happy that we have sustained ourselves and this year we celebrate our journey of 40 years since inception and are grateful for your whole hearted trust and support.

During the financial year 22-23, your Company has managed to sustain itself in spite of the disruptions caused by the Russia-Ukraine war and global inflation.



R Surender Reddy

The textile industry is one of the critical industries of the Indian economy which was deranged by the ongoing Russia-Ukraine crisis leading to global inflation and slow down of economies like the US and Europe which are India's top most export markets.

With the make in India initiative and withdrawing of Industries from China, India is projected be the fastest growing economy and the GDP of the nation is expected to grow to 6.8% in FY 2023-24 depending on the economic and political developments globally.

The textile industry is anticipated to grow as the government has allocated substantial funds for the Production Linked Incentive (PLI) Scheme to strengthen the competitiveness, setting up of 7 Mega Textile Parks (PM-MITRA) for enhance the employment generation and increase exports.

Keeping in view of positive indications for Textile Industrial growth, our company is under expansion with VORTEX SPIN project at Uruknapet unit. The project cost is Rs.110.0 crores and the project is equivalent to 30000 ring spindle capacities. This project is executing in 2 stages, 1st stage is almost installed and scheduled for switch on Machinery Ceremony on 11th September, 2023, so far spent about Rs.70.0 cr and availed term loan of Rs. 35.00 cr only. 2nd stage shall be completed before end of this financial year by avail balance term loan of Rs.30.00 cr.

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During the financial year, the company acquired Suntime Solar Energy Private Limited (“Suntime”) as its wholly owned subsidiary company, which owns a 10 MW Solar Energy Plant. Considering the importance given by the government of India for focus on green energy and the growth of the solar market, the acquisition of Suntime will help your company to commit to clean energy and be a part of the climate change initiatives.

During the financial year, the Company earned consolidated profit of Rs. 33.76 crores against a Consolidated turnover of Rs. 487 crores which is consistent with the performance of the previous year.

Considering the performance of the Company, the Board of Directors have recommended a dividend of 30% on the paid up equity shares to the non-promoter shareholders of the Company.

The Company fulfilled its CSR responsibility and attempted to make a positive impact in the lives of people by donating 49.76% more than its CSR obligation in the sector of education and health care.

We believe that we have built a strong foundation for the future with sustainable and profitable growth for the long term. Our deep-rooted legacy, brand power, global status, visionary approach, innovation capabilities and commitment to sustainability boost our leadership position in the industry.

I would like to thank the management for their committed dedication, relentless efforts and continuous hard work to achieve the vision and mission of the Company.

I also extend my gratitude to the independent directors of the Company for the extensive knowledge and experience brought in by them during the Board Meeting deliberations and their constant guidance & mentorship to the Company for its growth and development.

I thank all our employees for their dedication and commitment. I express my heartfelt gratitude to all the stakeholders for their trust and support and hope you shall continue to do so as we move ahead.

Last but not the least, I appreciate and thank the various Government and Regulatory authorities, Company’s valued customers, suppliers, vendors and investors for their consistent co-operation and trust.

MY BEST WISHES TO ALL OF YOU!

THANKYOU!

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ADDRESS FOR COMMUNICATION TO

REGISTERED OFFICE

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

Tel : 040 - 2777 4200
Fax : 040 - 27846859
E-mail : cs@suryalata.com
Website : www.suryalata.com
ISIN : INE132C01027
CIN : L18100TG1983PLC003962
GST : 36AADCS0823M1ZA
Listed on : B S E Limited
Scrip Code : 5 1 4 1 3 8

REGISTRAR & TRANSFER AGENTS

KFin Technologies Limited
CIN: U72400TG2017PLC117649
Unit: Suryalata Spinning Mills Limited
Selenium, Tower B, Plot 31-32,
Financial District, Nanakramguda,
Serilingampally, Hyderabad – 500 032.
Rangareddi, Telangana, India
Phone No.: 040 6716 1500 / 6716 2222,
E-Mail: einward.ris@kfintech.com
Website: www.kfintech.com

CORPORATE INFORMATION

BOARD OF DIRECTORS

Sri R Surender Reddy (DIN: 00083972)	Chairman & Non-Executive Independent Director
Sri Vithaldas Agarwal (DIN: 00012774)	Managing Director
Sri Mahender Kumar Agarwal (DIN: 00012807)	Joint Managing Director
Smt. Madhavi Agarwal (DIN: 06866592)	Whole-Time Director
Sri K R Suresh Reddy (DIN: 00074879)	Non-Executive Independent Director
Sri K HarishchandraPrasad (DIN: 00012564)	Non-Executive Independent Director
Sri K Nageswara Rao	Chief Financial Officer (CFO)
Smt. Khushboo Jain	Company Secretary & Compliance Officer

COMMITTEES OF THE BOARD

AUDIT COMMITTEE

Sri R Surender Reddy, Chairman
Sri K R Suresh Reddy, Member
Sri K Harishchandra Prasad, Member

STAKEHOLDERS RELATIONSHIP COMMITTEE

Sri K R Suresh Reddy, Chairman
Sri Vithaldas Agarwal, Member
Sri Mahender Kumar Agarwal, Member

STATUTORY AUDITORS

K S Rao & Co.,
Chartered Accountants, Hyderabad.

SECRETARIAL AUDITORS

R & A Associates,
Company Secretaries, Hyderabad.

BANKERS

State Bank of India, IFB, Hyderabad
IDBI Bank Limited, Chennai
HDFC Bank limited, Hyderabad
IndusInd Bank Limited, Hyderabad

NOMINATION & REMUNERATION COMMITTEE

Sri K R Suresh Reddy, Chairman
Sri R Surender Reddy, Member
Sri K Harishchandra Prasad, Member

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Sri R Surender Reddy, Chairman
Sri Vithaldas Agarwal, Member
Sri Mahender Kumar Agarwal, Member

INTERNAL AUDITORS

Brahmayya & Co.,
Chartered Accountants, Hyderabad.

COST AUDITORS

Aruna Prasad & Co.,
Cost Accountants, Chennai.

FACTORIES

Marchala Village, Kalwakurthy Mandal,
Nagar Kurnool District, Telangana – 509 320
UrukondapetVillage,Urukonda Mandal,
Nagar Kurnool District, Telangana – 509 320

Book Closure dates: 22nd September, 2023 to 29th September, 2023 (Both days Inclusive)

NOTICE :

Notice is hereby given that the **40th Annual General Meeting** of the Members of Suryalata Spinning Mills Limited (the Company) will be held on Friday, September 29, 2023 at 11.00 A.M. (IST) through **Video Conferencing (VC)/Other Audio-Visual Means (OAVM)** to transact the following items of business.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2023, together with the reports of the Board of Directors and the Auditors thereon.
2. To declare dividend on Cumulative Redeemable preference Shares of the Company for the financial year ended March 31, 2023.
3. To declare dividend @ 30% (Rs. 3/- per equity share of 10/- each) to Non-Promoter Equity Shareholders of the Company for the financial year ended March 31, 2023.
4. To appoint a Director in place of Smt. Madhavi Agarwal, (DIN: 00012774) Wholetime Director of the Company who retires by rotation and being eligible, offers herself for re-appointment.

SPECIAL BUSINESS:

5. **To ratify the remuneration of the Cost Auditor Smt. Aruna Prasad (M/s. Aruna Prasad & Co., Cost Accountants) for financial year ending March 31, 2024:**

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

“**RESOLVED THAT** pursuant to the Provisions of Section 148 and other applicable provisions if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any Statutory modification(s) or re-enactment(s) thereof, for the time being in forces, the remuneration of Rs.45,000/- (Rupees Forty Five Thousand Only) and reimbursement of out-of-pocket expenses incurred by M/s. Aruna Prasad & Co., Cost Accountants (Firm Registration No. 100883) appointed by the Board of Directors to conduct the Audit of the cost records of the Company for the Financial Year ended March 31, 2024, be and is hereby approved and ratified.”

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

Sd/-

**Vithaldas Agarwal
Managing Director**

DIN:00012774

Place: Secunderabad

Date: 12th August 2023

NOTES:

1. The Ministry of Corporate Affairs ('MCA'), vide its General Circular No. 20/2020 dated 5th May, 2020 read with General Circular Nos. 14/2020 dated 8th April, 2020, 17/2020 dated 13th April, 2020, 02/2021 dated 13th January, 2021, 19/2021 dated 8th December, 2021, 21/2021 dated 14th December, 2021 and 10/2022 dated 28th December, 2022 ('MCA Circulars'), has allowed the Companies to conduct the AGM through Video Conferencing or Other Audio-Visual Means ('VC/OAVM') till 30th September, 2023. In accordance with the said MCA Circulars and applicable provisions of the Act, the 40th AGM of the Company shall be conducted through VC/OAVM and Securities and Exchange Board of India ("SEBI") vide its circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 in relation to "Additional relaxation in relation to compliance with certain provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 - Covid-19 pandemic" and circular no. SEBI/HO/CFD/ CMD2/CIR/P/2021/11 dated January 15, 2021 in relation to "Relaxation from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 due to the Covid-19 pandemic" (collectively referred to as "SEBI Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM. without the physical presence of the Members at a common venue and vide circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 has extended the relaxation provided in the aforementioned circulars for the AGM to be conducted till 30th September, 2023.
2. In compliance with the applicable provisions of the Companies Act, 2013 (including any statutory modification or reenactment thereof for the time being in force) read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, read with the MCA Circulars, SEBI Circulars and pursuant to Regulation 44 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the AGM of the members of the Company is scheduled to be held on Friday, 29th September, 2023 at 11.00 A.M (IST) through VC / OAVM and the voting for items to be transacted in the Notice to this AGM is only through remote electronic voting process ("e-Voting"). The deemed venue for the 40thAGM will be registered office of the Company at Surya Towers, I Floor 105, Sardar Patel Road, Secunderabad, Telangana-500003, India.
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 proposed to be held pursuant to the said MCA circulars through VC / OAVM, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for this AGM and hence the attendance slip and proxy form are not attached to this notice.
4. The explanatory statement as required under Section 102 of the Companies Act, 2013, in respect of special business mentioned in the Notice is annexed hereto.
5. In case you are holding the Company's shares in dematerialized form, please contact your depository participant and give suitable instructions to update your bank details in your demat account and to notify any changes with respect to their addresses, email id, ECS mandate etc.

In case you are holding Company's shares in physical form, please inform Company's RTA viz. KFin Technologies Limited, Selenium Tower B, Plot Nos. 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032, Rangareddi Telangana, India by enclosing a photocopy of blank cancelled cheque of your bank account.
6. As per Regulation 40 of the Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 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. M/s. KFin Technologies Limited, Selenium Tower B, Plot Nos. 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032, Rangareddi Telangana, India are the Registrar & Share Transfer Agents (RTA) of the Company. All communications in respect of share transfers, dematerialization and change in the address of the members may be communicated to the RTA.
7. Members holding shares in the same name under different Ledger Folios are requested to apply for consolidation of such Folios and send the relevant share certificates to the RTA/Company.
8. Members who hold shares in physical form can nominate a person in respect of all the shares held by them singly or jointly. Members who hold shares in single name are advised, in their own interest to avail the nomination facility. Members holding shares in dematerialized form may contact their respective depository participant(s) for recording nomination in respect of their shares.
9. **Transfer of Unclaimed/Unpaid amounts to the Investor Education and Protection Fund (IEPF):**

Members are requested to note that dividends not encashed or remaining unclaimed for a period of 7 (seven) years from the date of transfer to the Company's Unpaid Dividend Account, shall be transferred to the Investor Education and Protection Fund ("IEPF") established by the Central Government. Further, pursuant to the provisions of Section 124 of

the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules') as amended from time to time, all shares on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to IEPF Authority as notified by the Ministry of Corporate Affairs. The Members/Claimants whose shares, unclaimed dividend have been transferred to IEPF may claim the shares or apply for refund by making an application to IEPF Authority in Form IEPF 5 which is available on www.iepf.gov.in and on the website of the Company www.suryalata.com along with requisite fee as decided by it from time to time.

Members who have not yet encashed the dividend warrants from the financial year ended March 31, 2015 onwards are requested to forward their claims to the Company's Registrar and Share Transfer Agents without any further delay. It is in Members' interest to claim any un-encashed dividends and for future, opt for Electronic Clearing Service, so that dividends paid by the Company are credited to the Members' account on time.

It may be noted that once the unclaimed dividend is transferred to IEPF as above, no claim shall rest with the Company in respect of such amount. It may also be noted that the unclaimed dividend amount which were lying with the Company upto and in respect of the year ended on March 31 2014, have already been transferred to IEPF. The details of the unclaimed dividends are available on the Company's website at www.suryalata.com and on the website of Ministry of Corporate Affairs at www.mca.gov.in.

Members are requested to contact the Company's Registrar and Share Transfer Agent or the Company to claim the unclaimed/unpaid dividends.

10. Members seeking any information or clarification on the accounts are requested to send their queries to the Company, in writing, at least one week before the date of the meeting. Replies will be provided in respect of such written queries at the meeting.
11. Pursuant to the directions/notifications of Securities and Exchange Board of India (SEBI) and Depositories, the demat account holders can operate their accounts if they had already provided Income Tax Permanent Account Number either at the time of opening of the account or at any time subsequently. In case they have not furnished the Income Tax Permanent Account Number to the Depository Participants, such demat account holders are requested to contact their DPs with a photocopy of the PAN Card (with original PAN Card for verification), so that the frozen demat accounts would be available for operation and further consequences of non-compliance with the aforesaid directives would be obviated.
12. Members may also note that the Notice of the 40th Annual General Meeting is available on the Company's website: www.suryalata.com. All documents referred to in the accompanying Notice and the Statement pursuant to Section 102(1) of the Companies Act, 2013 shall be open for inspection in electronic mode by the Members by writing an e-mail to the Company Secretary at cs@suryalata.com.
13. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
14. Since the AGM will be held through VC/OAVM, there is no requirement to annex Route Map to the Notice.
15. Additional information pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to Secretarial Standards on general meetings, information in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting is furnished in the annexure and forms part of the notice. The Directors have furnished the requisite consent / declaration for their appointment / re-appointment.
16. Retirement of Directors by rotation: Smt. Madhavi Agarwal, (DIN: 00012774) Wholetime Director of the Company, retire by rotation at the ensuing AGM and, being eligible, offer herself for re-appointment. The Board of Directors recommends the re-appointment of Smt. Madhavi Agarwal, (DIN: 00012774) Wholetime Director, whose office is liable to retire by rotation.

E-VOTING

1. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), the Company is offering e-voting facility to all Members of the Company. The voting rights of the Members shall be in proportion to the number of shares held by them in the equity share capital of the Company as on the cut-off date i.e. Monday, September 18, 2023.
2. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners (in case of electronic shareholding) maintained by the Depositories as on the cut-off date i.e. Monday, September 18, 2023 shall only be entitled to avail the facility of remote e-voting/e-voting at the AGM. Kfintech will be facilitating e-voting to enable the Members to cast their votes electronically.

A person who is not a Member as on the cut-off date should treat this Notice for information purposes only.

3. The remote e-voting facility will be available during the following period: Commencement of remote e-voting: From 9.00 A.M. (IST) on Thursday, September 21, 2023, End of remote e-voting: At 5.00 P.M. (IST) on Thursday, September 28, 2023

The remote e-voting will not be allowed/available beyond the aforesaid date and time and the remote e-voting module shall be disabled/blocked by Kfintech upon expiry of aforesaid period. Once the vote on a Resolution is cast by the Member(s), they shall not be allowed to change it subsequently or cast the vote again.

4. In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update/register their mobile number and email Id in their demat accounts in order to access e-Voting facility.
5. The details of the process and manner for remote e-Voting are explained herein below:

Step 1 : Access to Depositories e-Voting system in case of individual shareholders holding shares in demat mode.

Step 2 : Access to Kfintech e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

STEP 1 : LOGIN METHOD FOR REMOTE E-VOTING FOR INDIVIDUAL SHAREHOLDERS HOLDING SECURITIES IN DEMAT MODE

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<p>1. User already registered for IDeAS facility:</p> <ol style="list-style-type: none"> I. Visit URL: https://eservices.nsdl.com. II. Click on the “Beneficial Owner” icon under “Login” under ‘IDeAS’ section. III. On the new page, enter User ID and Password. Post successful authentication, click on “Access to e-Voting”. IV. Click on company name or e-Voting service provider and you will be re-directed to e-Voting service provider website for casting the vote during the remote e-Voting period. <p>2. User not registered for IDeAS e-Services</p> <ol style="list-style-type: none"> I. To register click on link : https://eservices.nsdl.com. II. Select “Register Online for IDeAS” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp. III. Proceed with completing the required fields. IV. Follow steps given in points 1. <p>3. Alternatively, by directly accessing the e-Voting website of NSDL</p> <ol style="list-style-type: none"> I. Open URL: https://www.evoting.nsdl.com/. II. Click on the icon “Login” which is available under ‘Shareholder/Member’ section. III. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen. IV. Post successful authentication, you will be requested to select the name of the company and the e-Voting Service Provider name, i.e. Kfintech. V. On successful selection, you will be redirected to Kfintech e-Voting page for casting your vote during the remote e-Voting period.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	<p>1. Existing user who have opted for Easi / Easiest</p> <ol style="list-style-type: none"> I. Visit URL: https://web.cdslindia.com/myeasinew/home/login or URL: www.cdslindia.com II. Click on New System Myeasi. III. Login with your registered User ID and Password. IV. The user will see the e-Voting Menu. The Menu will have links of ESP i.e. Kfintech e-Voting portal. V. Click on e-Voting service provider name to cast your vote. <p>2. User not registered for Easi/Easiest</p> <ol style="list-style-type: none"> I. Option to register is available at https://web.cdslindia.com/myeasinew/Registration/EasiRegistration II. Proceed with completing the required fields. III. Follow the steps given in point 1. <p>3. Alternatively, by directly accessing the e-Voting website of CDSL</p> <ol style="list-style-type: none"> I. Visit URL: https://evoting.cdslindia.com/Evoting/EvotingLogin. II. Provide your Demat Account Number and PAN No. III. System will authenticate user by sending OTP on registered Mobile & Email as recorded in the Demat Account. IV. After successful authentication, user will be provided links for the respective ESP, i.e. Kfintech where the e- Voting is in progress.
Individual Shareholder login through their demat accounts / Website of Depository Participant	<ol style="list-style-type: none"> I. You can also login using the login credentials of your demat account through your DP registered with NSDL / CDSL for e-Voting facility. II. Once logged-in, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature. III. Click on options available against company name or e-Voting service provider – Kfintech and you will be redirected to e-Voting website of Kfintech for casting your vote during the remote e-Voting period without any further authentication.

Important note: Members who are unable to retrieve User ID / Password are advised to use Forgot user ID / Forgot Password option available at respective websites.

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

Login type	Helpdesk details
Securities held with NSDL	Please contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at Toll Free Number: 1800 1020 990 and 1800 22 44 30
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

STEP 2 : LOGIN METHOD FOR E-VOTING FOR SHAREHOLDERS, OTHER THAN INDIVIDUAL SHAREHOLDERS, HOLDING SECURITIES IN DEMAT MODE AND SHAREHOLDERS HOLDING SECURITIES IN PHYSICAL MODE.

(A) Members whose email IDs are registered with the Company/ Depository Participant(s), will receive an email from Kfintech which will include details of E-Voting Event Number (EVEN), USER ID and password. They will have to follow the following process:

- i. Launch internet browser by typing the URL: <https://eMeetings.kfintech.com/>.
- ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) xxxx, followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with Kfintech for e-voting, you can use your existing User ID and password for casting the vote.
- iii. After entering these details appropriately, click on “LOGIN”.
- iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
- v. You need to login again with the new credentials.
- vi. On successful login, the system will prompt you to select the “EVEN” i.e., ‘xxxx - AGM” and click on “Submit”.
- vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under “FOR/AGAINST” or alternatively, you may partially enter any number in “FOR” and partially “AGAINST” but the total number in “FOR/AGAINST” taken together shall not exceed your total shareholding as displayed/ disclosed on the screen. You may also choose the option ABSTAIN. If the Member does not indicate either “FOR” or “AGAINST” it will be treated as “ABSTAIN” and the shares held will not be counted under either head.
- viii. Shareholders holding multiple folios/demat accounts shall choose the voting process separately for each folio/ demat account.
- ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
- x. You may then cast your vote by selecting an appropriate option and click on “Submit”.
- xi. A confirmation box will be displayed. Click “OK” to confirm else “CANCEL” to modify. Once you have voted on the Resolution (s), you will not be allowed to modify your vote. **During the voting period, Members can login any number of times till they have voted on the Resolution(s).**

(B) Members whose email IDs are not registered with the Company/Depository Participant(s), and consequently on whom, the Annual Report, Notice of AGM and e-voting instructions cannot be served, will have to follow the following process:

- I. Member may send an e-mail request at the email id einward.ris@kfintech.com along with scanned copy of the signed request letter providing the email address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of share certificate in case of physical folio for sending the Annual Report, Notice of AGM and the e-voting instructions.
- II. After receiving the e-voting instructions, please follow all steps narrated/mentioned above to cast your vote by electronic means.

In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-voting, he/she may obtain the User ID and Password in the manner as mentioned below:

If the mobile number of the member is registered against Folio No./ DP ID Client ID, the member may send SMS: MYEPWD <space> E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399.

1. Example for NSDL : MYEPWD <SPACE> IN12345612345678
2. Example for CDSL : MYEPWD <SPACE> 1402345612345678
3. Example for Physical : MYEPWD <SPACE> 1234567890

If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.kfintech.com/>, the member may click “Forgot Password” and enter Folio No. or DP ID Client ID and PAN to generate a password.

Members may call Kfintech toll free number 1-800-309-4001 for all e-voting related matters. Member may send an e-mail request to einward.ris@kfintech.com for all e-voting related matters.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE E-AGM:

- a. Facility of joining the AGM through VC / OAVM shall open 15 minutes before the time scheduled for the start of AGM and will be closed on expiry of 15 minutes after such scheduled time of AGM
- b. Facility of joining the AGM through VC / OAVM shall be available for at least 1,000 members on first come first served basis. However, the participation of members holding 2% or more shares, Promoters, Institutional Investors, Directors, Key Managerial Personnel, Chairpersons of Audit Committee, Stakeholders’ Relationship Committee, Nomination and Remuneration Committee and Auditors are not restricted on first come first serve basis.
- c. Member will be provided with a facility to attend the AGM through VC / OAVM platform provided by Kfintech. Members may access the same at <https://eMeetings.kfintech.com/> by using the e-voting login credentials provided in the email received from the Company/Kfintech. After logging in, click on the Video Conference tab and select the EVEN of the Company. Click on the video symbol and accept the Meeting etiquettes to join the Meeting. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned above.
- d. Members are encouraged to join the Meeting through Laptops/ Desktops with Google Chrome (preferred browser), Safari, Internet Explorer, Microsoft Edge, Mozilla Firefox 22.
- e. Members will be required to grant access to the webcam to enable VC / OAVM. Further, Members connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is, therefore, recommended to use Stable WiFi or LAN Connection to mitigate any kind of aforesaid glitches.
- f. Members, who would like to express their views or ask questions during the e-AGM will have to register themselves as a speaker by visiting the URL <https://eMeetings.kfintech.com> and clicking on the tab ‘Speaker Registration’ and mentioning their registered e-mail id, mobile number and city, during the period starting from Thursday, September 21, 2023 (9.00 A.M. IST) up to Thursday, September 28, 2023 (5.00 P.M. IST). Only those members who have registered themselves as a speaker will be allowed to express their views/ask questions during the e-AGM and the maximum time per speaker will be restricted to 3 minutes, depending on the number of speakers and available time. The Company reserves the right to restrict the number of speakers depending on the availability of time for the e-AGM. Please note that questions of only those Members will be entertained/ considered who are holding shares of Company as on the cut-off date i.e. Monday, September 18, 2023.
- g. Alternatively, Members holding shares as on the cut-off date may also visit <https://eMeetings.kfintech.com> and click on the tab ‘Post Your Queries’ and post their queries/ views/questions in the window provided, by mentioning their name, demat account number/ folio number, email ID and mobile number. Members may post their queries from Thursday, September 21, 2023 (9.00 A.M. IST) up to Thursday, September 28, 2023.
- h. A video guide assisting the members attending e-AGM either as a speaker or participant is available for quick reference at URL <https://cruat04.kfintech.com/eMeetings/video/howitworks.aspx>.
- i. Members who need technical or other assistance before or during the e-AGM can contact Kfintech by sending email at eMeetings@kfintech.com or Helpline: 1800 309 4001 (toll free).

VOTING AT E-AGM:

- a. a. Only those members/shareholders, who will be participating in the e-AGM through VC/OAVM facility and who have not cast their vote earlier through remote e-voting are eligible to vote through e-voting during the e-AGM
- b. b. Members who have voted through remote e-voting will also be eligible to attend the e-AGM. Members attending the e-AGM shall be counted for the purpose of reckoning the quorum of AGM under Section 103 of the Companies Act, 2013
- c. c. Upon declaration by the Chairperson about the commencement of e-voting at e-AGM, Members shall click on the "Vote" sign on the left-hand bottom corner of their video screen for voting at the e-AGM, which will take them to the 'instapoll' page d. Members to click on the "Instapoll" icon to reach the resolution page and follow the instructions to vote on the resolutions.

OTHER INFORMATION:

The Board of Directors have appointed M/s. R&A Associates, Company Secretaries as Scrutinizer, to scrutinize the e-voting process in a fair and transparent manner. The Scrutiniser shall, after the conclusion of voting at the AGM, submit his report within the prescribed timelines, to the Chairperson of the Company or any person authorized by the Chairperson and the results of voting will be announced within two working days from the conclusion of the AGM of the Company. The results declared along with the Scrutiniser's report shall be placed on the Company's website at www.suryalata.com and on the website of KFinTech viz. <https://evoting.kfintech.com> and shall also be communicated to the stock exchange viz. BSE Limited, where the shares of the Company are listed. The resolutions shall be deemed to be passed at the AGM of the Company subject to obtaining requisite votes thereto.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF
THE COMPANIES ACT, 2013 FORMING PART OF THE NOTICE**

As required under Section 102(1) of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013, this Explanatory Statement contains relevant and material information, as detailed herein, to enable the Members to consider for approval of the Resolution No 5.

Item No. 5: To ratify the remuneration of the Cost Auditor Smt. Aruna Prasad (M/s. Aruna Prasad & Co., Cost Accountants) for financial year ending March 31, 2024:

The Board of Directors of the Company on the recommendation of the Audit Committee, appointed M/s. Aruna Prasad & Co., Cost Auditors, Chennai, as Cost Auditors of the Company at a remuneration of Rs. 45,000/- plus reimbursement of out of pocket expenses, for conducting audit of cost records for the F.Y. 2023-24. In terms of the provisions of Section 148 of the Companies Act, 2013 and rules made thereunder the remuneration payable to the Cost Auditor is to be ratified by the members of the Company in general meeting.

Accordingly, the members are requested to ratify the above said remuneration payable to the Cost Auditor during the financial year 2023-24. The ratification by the Members to this Remuneration is being sought in this resolution.

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

**for and on behalf of the Board
for Suryalata Spinning Mills Limited**

Sd/-

**Vithaldas Agarwal
Managing Director**

DIN: 00012774

Place: Secunderabad

Date: 12th August 2023

Annexure-A

**Details of Directors seeking re-appointment at the 40th Annual General Meeting to be held on September 29, 2023
[Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]**

S. No	Particulars	Details
1	Name	Madhavi Agarwal
2	Date of Birth and Age	2 nd December 1967 - 56 Years
3	Date of first appointment	12 th May 2014
4	Nature of appointment (appointment / reappointment)	Appointment pursuant to retire by rotation and being eligible, offers herself for re-appointment
5	Qualifications	Bachelor's Degree
6	Experience and Expertise in specific functional areas	She is a member of Deepshikha Mahila Club, (a non government organization) since 2004. She has also been elected as a President of Deepshikha Mahila Club for the year 2014-15.
7	Directorships in other Listed Companies	Nil
8	Relationship with other Directors, Manager and Other Key Managerial Personnel of the company	Wife of Sri Mahender Kumar Agarwal, Joint Managing Director and daughter in law of Sri Vithaldas Agarwal, Managing Director.
9	Shareholding in the Company	Holds 7,45,291 Equity Shares
10	Remuneration last drawn by such person, if applicable and remuneration sought to be paid	Rs. 46,38,745/- was paid as Remuneration during the Financial Year ended March 31, 2023.
11	The number of Meetings of the Board attended during the year	5
12	Membership / Chairmanship of Committees of other Boards	Nil

**Statutory
Reports**

BOARDS' REPORT

To
The Members
Suryalata Spinning Mills Limited

Your Board of Directors are pleased to present the **40th Annual Report** of the Company together with the Standalone and Consolidated Audited Financial Statements of Accounts for the financial year ended 31st March 2023.

FINANCIAL RESULTS:

The Company has prepared Standalone and Consolidated Financial Results in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013.

The Financial performance of the Company for the Financial year ended 31st March 2023 is summarized below: (₹ in Lakhs)

Particulars	Standalone Results		Consolidated Results
	2022-23	2021-22	2022-23
Revenue from Operations	47,926	48,034	48,400
Other Income	384	169	331
Profit before Interest Depreciation and Tax	6,063	8,079	6,449
Interest	527	878	545
Depreciation	1,207	1,143	1,238
Profit Before Tax	4,329	6,058	4,666
Less: Provision for tax	1,010	1,536	1,074
Deferred Tax Liability	216	(253)	216
Profit After Tax	3,103	4,775	3376
Add: Profit brought forward from last year	3,195	1,445	3,195
Amount available for appropriation	6,298	6,220	6,571
Appropriations:			
Transfer to			
(a) General Reserve	3,000	3,000	3,000
(b) Dividend on Equity Shares	38	25	38
Balance Carried forward to Balance Sheet	3,260	3,195	3,533

Details of Standalone Operations:

The Audited Standalone and Consolidated Financial Statements of your Company as on 31st March, 2023, prepared in accordance with the relevant applicable Ind AS and Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and provisions of the Companies Act, 2013 ("the Act"), forms part of this Annual Report.

Highlights of the Company's Affairs:

The Company's performance in the financial year under review has slightly been impacted adversely as compared to the previous year. The major highlights of the Company's performance for the financial year 2022-23 are as under:

- ❖ Revenue from operations is Rs. 479.26 crores as compared to Rs. 480.34 crores in the previous year.
- ❖ Exports decreased by 42.23% to Rs. 49.07 Crores as compared to Rs 84.94 crores in the previous year. FOB value exports is US\$ 59,15,152 as against US\$ 1,08,07,295 in the previous year.

SURYALATA SPINNING MILLS LIMITED

- ❖ Production quantities increased to 27497 MTs as against 26427 MTs in the previous year.
- ❖ Annual Average yarn realization was increased by Rs. 1.78 i.e to Rs.174.09 per kg. as against Rs.172.31 per kg in the previous year.
- ❖ Annual Average input (raw material) cost increased by Rs.5.95 (i.e) to Rs.109.01 per kg. as against Rs.103.06 per kg in the previous year.
- ❖ Contributions from operations decreased by Rs. 4.16 per kg. (i.e) Rs. 65.09 as against Rs.69.25 per kg in the previous year.
- ❖ Operational cost increased by Rs.0.44 per kg. (i.e) Rs. 48.86 as against Rs. 48.42 per kg in the previous year
- ❖ Profit before Tax for the is Rs. 43.29 Crores as compared to Rs. 60.58 Crores in the previous year.
- ❖ Profit after Tax is Rs. 31.03 Crores as against Rs. 47.75 Crores in the previous year.
- ❖ The Company has acquired 100% equity shareholding in Suntree Solar Energy Private Limited (“Suntree”) which owns a 10MW Solar Plant on 23rd January 2023 making Suntree its wholly owned subsidiary.

Subsidiary Company:

The Company has one wholly owned subsidiary Suntree Solar Energy Private Limited (Suntree) which was acquired during the financial year. Suntree is in the business of generation of solar energy.

The statement containing highlights of performance of the Subsidiary Company, salient features of its financial statements for the financial year ended on March 31, 2023 and its contribution to the overall performance of the Company is attached as **Annexure-I**.

The audited accounts of the Subsidiary Company is available on the official website of the Company at www.suryalata.com. The annual accounts of the Company and of the Subsidiary Company are open for inspection by the registered shareholder of the Company at the Registered Office of the Company. The Company will also make available copies of these documents to the registered shareholder upon receipt of request in writing from them.

Consolidated Financial Results:

The Audited Consolidated Financial Statements of your Company as on 31st March, 2023, prepared in accordance with the relevant applicable Ind AS and Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and provisions of the Companies Act, 2013 (“the Act”), forms part of this Annual Report.

Sustainable Development Goals:

Your Company is conscious of its responsibilities towards the protection of the environment and sustainability. As a step towards obtaining the sustainable development goals, the Company has installed Solar Power Plants of 11 MW within the manufacturing units for Captive consumption of power generation. These installed capacities mitigate 20% of the company annual power requirements and reduce the dependence on DISCOM power supplies. The average cost of power from operating these plants will be about Rs.2.20 per unit. By installing the solar power plants, the company is reducing the carbon footprint and also the cost of power consumption and the management has approved setting up of further capacities of solar power plants within the manufacturing units and bring in further cost efficiencies.

The company also has state-of-the-art Sewage Treatment Plants in both the units whereby 95% of the water used in the factories is purified and recycled.

The company also acquired Suntree Solar Energy Pvt Ltd as its 100% subsidiary, which is having 10 MW AC capacity Solar Power Plant with Power Purchase Agreement for 20 years (remaining period of 12 years) with Telangana Government.

Capital expenditure:

The Company had spent Rs. 356.89 lakhs towards installation of 1 MW Solar plant within the plant premises for captive consumption, Rs. 224.61 lakhs has been spent for purchase and installation of balance equipment required to increase the production and Rs.43.81 lakhs for purchase of vehicles.

Changes in Share Capital:

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

The Authorized Share Capital of the Company as on 31st March 2023 was Rs. 17,00,00,000/- divided into 90,00,000 Equity Shares of Rs. 10/- each and 8,00,000 Preference Shares of Rs. 100/- each

The issued share capital of the Company is Rs. 811,70,000/- divided into 42,67,000 equity shares of Rs. 10/- each and 3,85,000 8% Cumulative Redeemable Preference Shares of Rs. 100/- each.

The listed share capital of the Company is Rs. 4,26,70,000/- of 42,67,000 Equity shares of Rs. 10/- each.

Transfer to Reserves:

The Company has decided to transfer Rs.30.00 Crores to the general reserve for the financial year ended 31st March 2023.

Dividends:

Your Directors have recommended the payment of dividend on the Cumulative Redeemable Preference Shares as per the terms and conditions of the Issue for the Financial Year 2022-23. The said dividend, if approved will result in cash outflow of Rs. 30,80,000/-.

Further, your Directors have recommended the payment of 30% dividend on the paid up value of the Equity Shares i.e. Rs. 3 per share of Rs.10/- each to the Non-promoter equity shareholders of the Company for the year 2022-23. The dividend, if approved, will result in cash outflow of Rs.37,94,070/-.

Investor Education and Protection Fund (IEPF):

Pursuant to provisions of Section 124 and 125 of the Companies Act 2013 read with IEPF Rules 2016, all unpaid or unclaimed dividends up to the financial year 2014-15 was transferred to the Investor Education and Protection Fund established by the Central Government, after notice was sent to all shareholders whose shares were due to be transferred to the IEPF Authority and published requisite advertisement in the newspaper. The shareholders whose dividends and shares have been transferred to the IEPF Authority can claim their dividend and shares from the IEPF Authority. All unpaid or unclaimed dividends up to the financial year 2015-16 will be transferred to the Investor Education and Protection Fund as per the due dates falling this year.

Deposits:

During the financial year under review the Company has not accepted any deposits as per the Section 73 of the Companies Act 2013 as well as the Companies (Acceptance of Deposits) Rules, 2014.

Annual Return:

Pursuant to Section 134 (3) (a) & Section 92 (3) of the Companies Act, 2013 read with Rules 12 of the Companies (Management & Administration) Rules, 2014, the Annual Return of the company for Financial Year 2022-23 is placed on the company's website at <https://www.suryalata.com>.

Number of Meetings of the Board of Directors and Committees:

5 (Five) Board Meetings & Audit Committee Meetings were held during the Financial Year 2022-23 as below:

1. 23rd May, 2022;
2. 5th August, 2022;
3. 9th November, 2022;
4. 6th January, 2023;
5. 9th February, 2023.

The Meetings of the following Committees were held on the dates as mentioned below:

1. CSR Committee Meeting – 23rd May, 2022;
2. Nomination and Remuneration Committee – 23rd May, 2022;
3. Stakeholders Relationship Committee Meeting – 9th February, 2023;

For details pertaining to attendance of Directors for the said Meetings, please refer to the Corporate Governance Report, which forms part of this report.

Directors Responsibility Statement:

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

- (a) that in the preparation of the annual accounts for the Financial Year ended 31st March 2023, the applicable accounting standards have been followed;
- (b) that the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2023, and Profit and Loss Statement of the Company for that period;
- (c) that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (d) that the directors have prepared the annual accounts for the financial year ended 31st March, 2023, on a going concern basis;
- (e) that the directors have laid down internal controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- (f) that the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Statement on declaration given by Independent Directors under Sub-Section (6) of Section 149 of the Companies Act, 2013:

The Independent Directors have submitted the Declaration of Independence, as required pursuant to Sub-Section (7) Section 149 of the Companies Act, 2013 stating that they meet the criteria of independence as provided in (6) of section 149 of Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

Related Party Transactions:

All the related party transactions are entered in the ordinary course of business and on arm's length basis they are in compliance with the applicable provisions of Companies Act 2013 and listing regulations. The disclosures relating to related party transactions as required in **Form AOC-2** is enclosed to this report as **Annexure-II**.

The Company has adopted a related party transactions policy and the said policy as approved by the board is uploaded on the Company's website www.suryalata.com.

Particulars of Loans, Guarantees and Investments:

During the year under review, the Company has granted a loan of Rs. 45,02,20,000 to its wholly owned subsidiary, Suntree Solar Energy Private Limited.

The Company has made an investment to the tune of Rs. 97,80,000/- by way of purchase of 100 % equity shares of Suntree as a result Suntree is now a Wholly Owned Subsidiary of the Company.

However, the Company has not provided any guarantees.

Particulars of Employees:

The details pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is enclosed as **Annexure III**.

Further during the year under review, the list of top ten employees in terms of remuneration drawn as set out in Rule 5 Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is enclosed as **Annexure III**.

Details of Directors and Key Managerial Personnel's appointed or resigned during the year:

No Director or Key Managerial Personnel was appointed or resigned during the year in review.

In accordance with the provisions of the Companies Act, 2013 and in terms of Articles of Association of the Company, Smt. Madhavi Agarwal, Whole time Director of the Company is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offers herself for re-appointment.

Committees of the Board:

Currently the Board has four Committees:

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

Audit Committee:

The Audit Committee comprises of Sri R Surender Reddy, Chairman, Sri K R Suresh Reddy, Member and Sri Harishchandra Prasad Kanuri, Member. All the recommendations made by the members of Audit Committee were accepted by the Board.

Nomination and Remuneration Committee:

The Nomination and Remuneration Committee comprises of Sri K R Suresh Reddy, Chairman, Sri R Surender Reddy, Member and Sri Harishchandra Prasad Kanuri, Member.

Stakeholders Relationship Committee:

Stakeholders Relationship Committee comprises of Sri K R Suresh Reddy, Chairman, Sri Vithaldas Agarwal, Member and Sri Mahender Kumar Agarwal, Member.

The Scope of the committee shall include considering and resolving the grievances of the security holders of the company which may arise due to any of the reasons cited in the Stakeholders Relationship Committee of the company.

Corporate Social Responsibility Committee:

The Corporate Social Responsibility Committee consists of Sri R Surender Reddy, Chairman, Sri Vithaldas Agarwal, Member and Sri Mahender Kumar Agarwal, Member.

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

Corporate Social Responsibility:

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

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

The CSR Policy of your Company as approved by the Board of Directors, is hosted on your Company's website www.suryalata.com.

The Report on Corporate Social Responsibility as per Rule 8 of (Corporate Social Responsibility Policy) Rules, 2014 is enclosed as **Annexure IV** and forms part of this Directors Report.

Policy on director's appointment and remuneration and other details:

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

Statutory Auditors and Auditors' Report:

M/s. K.S. Rao & Co., Chartered Accountants (ICAI Firm Registration Number **003109S**) were appointed as Statutory Auditors of the Company in the 39th Annual General Meeting (AGM) held on 29th September 2022 to hold office for a period of five years i.e. up to the conclusion of 44th Annual General Meeting.

K. S. Rao & Co., Chartered Accountants, the Statutory Auditors of the company has issued an unmodified Auditors Report (standalone and consolidated) for Financial Year ended 31st March 2023 and the Auditors have not reported any matter under Section 143(12) of the companies Act 2013 and therefore no details are required to be disclosed under Section 134(3) of the Companies Acts 2013.

The Auditor's Report to the Shareholders for the financial year under review does not contain any qualification, reservation or adverse remark. The Auditors' Report is enclosed with the financial statements in this Annual Report.

Secretarial Auditor:

The Board has appointed **R&A Associates, Company Secretaries** a firm of Practicing Company Secretaries, Hyderabad as the Secretarial Auditors to conduct Secretarial Audit of the Company for the Financial Year ended 31st March 2023 in compliance with the provisions of Section 204 of the Companies Act, 2013. The Secretarial Audit Report issued by R & A Associates, Company Secretaries, in Form MR-3 is enclosed as **Annexure V**.

Internal Auditor:

The Board of Directors of the Company have appointed M/s. Brahmayya & Co., Chartered Accountants as Internal Auditors to conduct Internal Audit of the Company for the Financial Year ended 31st March 2023.

Cost Auditor:

M/s. Aruna Prasad & Co., Cost Auditors were appointed as Cost Auditor for conducting the cost audit of the Company for the financial year 2022-23 and paid remuneration of Rs. 40,000/-. The Board of Directors have appointed M/s. Aruna Prasad & Co., Cost Auditors, Chennai for conducting the cost audit of the Company for the financial year 2023-24, in compliance to the provisions of Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit Rules,) 2014, on the recommendations made by the Audit Committee and has recommended the remuneration for the approval of Members at the ensuing Annual General Meeting.

Corporate Governance Report:

The report on Corporate Governance as per Regulation 34(3) read with Schedule V of the SEBI (LODR) Regulations is included as a part of this Annual Report. The requisite certificate from **R&A Associates, Company Secretaries** conforming the compliance with the conditions of Corporate Governance is attached to the report on Corporate Governance.

Management Discussion and Analysis:

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

Vigil Mechanism/Whistle Blower Policy:

The Board of Directors of the Company has adopted Whistle Blower Policy. This policy is formulated to provide an opportunity to employees and an avenue to raise concerns and to access in good faith the Audit Committee, to the highest possible standards of ethical, moral and legal business conduct and its commitment to open communication, in case they observe unethical and improper practices or any other wrongful conduct in the Company, to provide necessary safeguards for protection of employees from reprisals or victimization and to prohibit managerial personnel from taking any adverse personnel action against those employees.

The Policy on vigil mechanism/whistle blower policy may be accessed on the Company's website www.suryalata.com.

Details of adequacy of internal financial controls:

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

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

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

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

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

Conservation of energy, technology absorption, foreign exchange earnings and outgo:

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

Risk Management Policy:

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

Declaration with the compliance with the code of conduct by Members of the Board and Senior Management personnel:

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

The said policy is available on the website of the Company www.suryalata.com.

Mechanism for Board Evaluation:

The Board of Directors has carried out an annual evaluation of its own performance, Board committees and individual directors pursuant to the provisions of the Schedule IV of the Companies Act, 2013 and the corporate governance requirements as prescribed by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015.

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

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

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

Policy on Sexual Harassment:

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

Disclosure pertaining to sexual harassment of women at workplace:

During the Financial year ended 31st March, 2023 the Company has neither received any complaints nor there are any pending complaints pertaining to sexual harassment and the Company has constituted an Internal Complaints Committee.

Compliance with Secretarial Standards:

The Company has complied with applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

Prevention of Insider Trading Code

The Company has a policy i.e., code of conduct prohibiting insider trading in conformity with SEBI (Prohibition of Insider Trading) Regulations, 2015. The said policy contains necessary procedures applicable to Directors, officers and designated persons for trading in the securities of the Company.

The trading window closures are intimated in advance to all the concerned during which period, the Board of Directors and designated persons are not permitted to trade in the securities of the company.

S SURYALATA SPINNING MILLS LIMITED

Acknowledgments:

Your Directors thank the government authorities, financial institutions, banks, customers, suppliers, members, employees and other business associates of your Company, who through their continued support and co-operation, have helped as partners in your Company's progress and achievement of its objectives.

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

Sd/-

**Vithaldas Agarwal
Managing Director**

DIN: 00012774

**Add : 8-2-684/3/k/8To10, MLA Colony, Road No. 12,
Banjara Hills, Hyderabad-500034, Telangana**

Sd/-

**Mahender Kumar Agarwal
Joint Managing Director**

DIN: 00012807

**Add: 8-2-684/3/k/8To10, MLA Colony, Road
No. 12, Banjara Hills, Hyderabad-500034,
Telangana**

Place: Secunderabad

Date: 12th August 2023

FORM NO. AOC.1

Statement containing salient features of the financial statement of Subsidiaries/Associate Companies/Joint Ventures
(Pursuant to first proviso to sub-section (3) of section 129 read with

Rule 5 of Companies (Accounts) Rules, 2014)

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs)

1. Sl. No.	:	1
2. Name of the subsidiary	:	Suntree Solar Energy Private Limited
3. Reporting period for the subsidiary concerned, if different from the holding company's reporting period	:	31st March 2023
4. Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	:	N.A
5. Share capital	:	Rs. 81,50,000
6. Reserves & surplus	:	Rs. 1,93,44,855
7. Total assets	:	Rs. 53,91,07,206
8. Total Liabilities	:	Rs. 51,16,12,352
9. Turnover	:	Rs. 4,74,20,872
10. Profit before taxation	:	Rs. 3,36,99,714
11. Provision for taxation	:	Rs. 64,30,699
12. Profit after taxation	:	Rs. 2,72,69,015
13. % of shareholding	:	100%

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

Sd/-

**Vithaldas Agarwal
Managing Director
DIN : 00012774**

**Add : 8-2-684/3/k/8To10, MLA Colony, Road No. 12,
Banjara Hills, Hyderabad-500034, Telangana**

Sd/-

**Mahender Kumar Agarwal
Joint Managing Director
DIN : 00012807**

**Add : 8-2-684/3/k/8To10, MLA Colony, Road No. 12,
Banjara Hills, Hyderabad-500034, Telangana**

Place : Secunderabad

Date : 12th August 2023

FORM NO. AOC -2

Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013

[Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014].

1. Details of contracts or arrangements or transactions not at arm's length basis:

There are no contracts or arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 which are not at arm's length basis.

2. Details of contracts or arrangement or transactions at arm's length basis:

Contracts or arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 which are on an arm's length basis.

S. No	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Amount (in Rs)
1.	Surana Solar Limited (Enterprise having common Director)	Solar Power Purchased	Ongoing	As per the Agreement	67,36,700
2.	Suryamba Spinning Mills Limited (Enterprise having common Director)	Sale of Yarn	Contract	As per Sale order	40,99,996

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

**Sd/-
Vithaldas Agarwal
Managing Director
DIN: 00012774**

Add:8-2-684/3/k/8To10,MLA Colony, Road No. 12, Banjara Hills, Hyderabad-500034,Telangana

Place: Secunderabad

Date: 12th August 2023

**Sd/-
Mahender Kumar Agarwal
Joint Managing Director
DIN: 00012807**

Add: 8-2-684/3/k/8To10,MLA Colony, Road No. 12, Banjara Hills, Hyderabad-500034, Telangana

PARTICULARS OF EMPLOYEES

Information as per Rule 5(1) of Chapter XIII, Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Name of Director	Designation	Remuneration in FY 22-23	Remuneration in FY 21-22	% of increase in remuneration	Ratio of remuneration to MRE
Executive Directors					
Vithaldas Agarwal	Managing Director	48,00,000	39,01,700	23.02	24.85
Mahender Kumar Agarwal	Joint Managing Director	56,64,891	46,70,115	21.30	29.32
Madhavi Agarwal	Whole-Time Director	46,38,745	38,12,836	21.66	24.01
Key Managerial Personnel					
K Nageswara Rao	Chief Financial Officer	31,10,496	30,02,496	3.60	16.10
Khushboo Jain	Company Secretary	3,00,000	41,072	-	1.55

1. The Median Remuneration of the employees of the Company during the financial year was Rs. 1,93,186/- (Previous Year Rs. 1,76,373/-).
2. There are 445 permanent Employees on the rolls the Company of as on 31st March, 2023.
3. There was a 9.53% increase in the salaries of employees other than the managerial personnel in the current financial year i.e. 2022-23 as against 12.17% as against the previous financial year 2021-22.
4. The key parameters for the variable component of remuneration availed by the directors are considered by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee.
5. It is hereby confirmed that the remuneration is as per the remuneration policy of the Company.

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

**Sd/-
Vithaldas Agarwal
Managing Director
DIN: 00012774**

**Add : 8-2-684/3/k/8To10, MLA Colony, Road No. 12,
Banjara Hills, Hyderabad-500034, Telangana**

**Sd/-
Mahender Kumar Agarwal
Joint Managing Director
DIN: 00012807**

**Add : 8-2-684/3/k/8To10, MLAColony, Road No. 12,
Banjara Hills, Hyderabad-500034, Telangana**

Place: Secunderabad

Date: 12th August 2023

S.No	Name & Designation	Remuneration received (₹)	Nature of employment, whether contractual or otherwise	Qualification and experience of the employee	Date of Commencement of employment	Age	The last employment held before joining the Company	The percentage of equity shares held by the employee in the Company within the meaning of clause (iii) of sub-rule (2) of Rule 5	Whether the employee is a relative of any director or manager of the company
1.	Sri Mahender Kumar Agarwal, Joint managing Director	56,64,891	Regular	B.Com., 30 Years	01-07-1986	60	-	Not applicable	Yes
2.	Sri Vithaldas Agarwal, Managing Director	48,00,000	Regular	Under Graduate 56 years	01-09-1989	84	-	Not applicable	Yes
3.	Smt. Madhavi Agarwal, Executive Director	46,38,745	Regular	B.Com., 12 years	06-11-2014	56	-	Not applicable	Yes
4.	Sri K. Nageswara Rao, Chief Financial Officer	31,10,496	Regular	B.Com., FCA., 35 Years	28-01-2009	65	Regency Ceremics Ltd., Hyderabad	Not applicable	No
5.	Sri K. K. Sinha, (Chief General Manager)	26,78,040	Regular	D.T.T. 43 Years	07-06-2004	66	Bhmvel Synthetics India Ltd., Fatahnagar, Rajasthan	No other Employee was in receipt of remuneration above the remuneration of Managing Director / Whole-time Director	No
6.	Sri D. V. Ramana Reddy, General Manager (HR and P&A)	16,39,920	Regular	M.Com., PGDPM&LL.B., 32 Years	13-06-2000	62	Kothari Spinning Mills Ltd., Adoni, Andhra Pradesh	Employee was in receipt of remuneration above the remuneration of Managing Director / Whole-time Director	No
7.	Sri R. Prasada Rao, General Manager – Sales	12,14,904	Regular	M.Com., MSM 30 Years	22-01-2004	63	Priyadarshini Spinning Mills Ltd., Hyderabad	Employee was in receipt of remuneration above the remuneration of Managing Director / Whole-time Director	No
8.	Sri V. Ramanjula Reddy, Manager –HR	10,08,000	Regular	MBA-HR 4 years	20-11-2017	42	Priyadarshini Spinning Mills Ltd., Hyderabad	Employee was in receipt of remuneration above the remuneration of Managing Director / Whole-time Director	No
9.	Sri K. Ajay Kumar, Manager – EDP	9,15,096	Regular	B.Sc., PGDCA., 28 Years	29-10-2004	56	My Home Industries Ltd., Hyderabad.	Employee was in receipt of remuneration above the remuneration of Managing Director / Whole-time Director	No
10.	Sri Anjani Kumar Rai, Technical Manager	8,56,200	Regular	Diploma – Mechanical Engineer	01-07-2011	55	Sulet Industries	Employee was in receipt of remuneration above the remuneration of Managing Director / Whole-time Director	No

Annual Report on CSR Activities for Financial Year

Commencing after 1st day of April 2022

1. Brief outline on CSR Policy of the Company: CSR is an integral part of the Suryalata Spinning Mills Limited culture which is imbibed by one and all of the employees of the Company. Our vision is to actively contribute to the social and economic development of the communities in which we operate. In doing so, to build a better and a sustainable way of life for the weaker sections of society and raise the country's human development index.
2. Composition of CSR Committee:

S. No	Name of Director	Designation / Nature of Directorship	Number of Meeting of CSR Committee held during the year	Number of Meeting of CSR Committee attended during the year
1	R Surender Reddy	Chairman	1	1
2	Vithaldas Agarwal	Member	1	1
3	Mahender Kumar Agarwal	Member	1	1

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company - <https://www.suryalata.com/investors.html>.
4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable– Not Applicable.
5. (a) Average net profit of the company as per Section 135(5) –Rs. 35,65,51,883/-.
- (b) Two percent of average net profit of the company as per section 135(5) – Rs. 71,31,038/-
- (c) Surplus arising out of the CSR projects or programs or activities of the previous financial Years - NIL
- (d) Amount required to be set off for the financial year, if any – Rs. 36,17,036/-
- (e) Total CSR obligation for the financial year [(b)+(c)-(d)]– Rs. 35,14,002 /-
6. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in Rs)	Amount Unspent (in Rs)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
1,41,95,227	-	-	-	-	-

(b) Details of CSR amount spent against ongoing projects for the financial year:

1	2	3	4	5		6	7	8	9	10	11
S. No	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project Duration	Amount allocated for the project (in ₹)	Amount spent in the current financial year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Direct/ Through Implementing Agency
				State	District						
1	Special Education Through Veda patasala - Running and on-going expenditure for Sri Gayathri Vedavidyalam, Marchala Village, Kalwakurthy,	Clause (ii) of Schedule VII	Yes	Telangana	Nagar Kurnool		25,00,000	26,90,000	NA	Yes	Direct - Monthly running expenses
	Total						25,00,000	26,90,000	-	-	-

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

1	2	3	4	5		6	7	8	
S. No	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local Area (Yes/No)	Location of the Project		Amount spent for the project (in Rs).	Mode of implementation - Direct (Yes/No)	Mode of implementation - Direct / Through implementing Agency.	
				State	District			Name	CSR Registration Number
1	Animal Welfare	Clause (iv) of Schedule VII				6,00,000	Yes	Dhyan Foundation	
2	Animal Welfare	Clause (iv) of Schedule VII				1,00,000	Yes	GOVATS Foundation	
3	Promotion of health care and Sanitation including prevention of health care - Covid - 19.	Clause (i) of Schedule VII		New Delhi		30,000	Yes	The Leprosy Mission Trust India	Direct

1	2	3	4	5		6	7	8	
				State	District			Name	CSR Registration Number
S. No	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local Area (Yes/No)	State	District	Amount spent for the project (in Rs).	Mode of implementation – Direct – Direct (Yes No)	Name	CSR Registration Number
4	Promotion of setting up old age homes, day care centres and such other facilities for senior citizens	Clause (iii) of Schedule VII	Yes	Telangana	Nagar Kurnool	75,000	Yes		Direct
5	Promoting education, including special education and employment enhancing vocational skills among children and women.	Clause (ii) of Schedule VII		Telangana	Medchal	6,00,111		Sai Geetha Ashram	
6	Eradicating hunger, poverty and malnutrition	Clause (i) of Schedule VII		Andhra Pradesh	Tirupati	1,00,00,116	Yes	SV Annaprasaddam Trust	
7	Protection of Art and Culture including work of art; Promotion and Development of Traditional Art.	Clause (v) of Schedule VII				1,00,000		Pandit Jasraj Cultural Foundation	Yes
	Total					1,15,05,227	-	-	-

(d) Amount spent in Administrative Overheads: Not Applicable

(e) Amount spent on Impact Assessment, if applicable: Not Applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) : 1,41,95,227/-

(g) Excess amount for set off, if any: (8(f) - 7(a))

S. No	Particulars	Amount (In Rs)
1	Two percent of average net profit of the company as per section 135(5)	71,31,038
2	Total amount spent for the Financial Year	1,41,95,227
3	Excess amount spent for the financial year [2-1]	70,64,189
4	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
5	Amount available for set off in succeeding financial years (3-4)	70,64,189
6	Excess amount available for set off from earlier years (2020-21Rs 202498+2021-22 Rs 3414538)	36,17,036
7	Total available for set off in succeeding financial years	106,81,225

7. (a) Details of Unspent CSR amount for the preceding three financial years: Not Applicable

S. No	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Balance Amount in Unspent CSR Account under section 135(6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding Financial years. (in ₹)	Deficiency, if any
					Name of the Fund	Amount (in ₹)	Date of Transfer		
1	FY 1	-	-	-	-	-	-	-	-
2	FY 2	-	-	-	-	-	-	-	-
3	FY 3	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-	-

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No
9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): Not Applicable.

The CSR committee confirms that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and policy of the Company.

Place: Secunderabad
Date: 29th May 2023

Sd/-
Vithaldas Agarwal
Member of CSR Committee

Sd/-
R Surender Reddy
Chairman of CSR Committee

FORM MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

[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

SURYALATA SPINNING MILLS LIMITED

Surya Towers, 1st Floor, 105, Sardar Patel Road

Secunderabad – 500 003, Telangana, India.

We have conducted the Secretarial Audit of the compliance of the applicable statutory provisions and the adherence to good corporate practices by **SURYALATA SPINNING MILLS LIMITED (CIN: L18100TG1983PLC003962)** (hereinafter called “the Company”) for the Financial Year ended on 31st March 2023. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Suryalata Spinning Mills Limited 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, consultants and authorised representatives during the conduct of Secretarial Audit we hereby report that in our opinion, the Company has, during the audit period covering the **Financial Year ended 31st March 2023** complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on 31st March 2023, according to the provisions of:

- i. The Companies Act, 2013 (the Act) (to the extent applicable) 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. However the provisions of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings are not applicable;
- v. The following Regulations and Guidelines prescribed under the Securities 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 (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with clients;
 - e. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (Not applicable to the Company during the audit period);
 - f. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the audit period);
 - g. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the audit period);
 - h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the audit period) and
 - i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the Company during the audit period).

vi. We further report that, based on the information provided by the Company, its officers and authorized representatives during the conduct of Audit, and on examination of the relevant documents, licenses and records in pursuance thereof, on test check basis in our opinion, the Company has complied with applicable general laws and rules made thereof and in particular the following:

- a. Textiles (Development & Regulation) Order, 2001;
- b. Textiles (Consumer Protection) Regulation, 1988;

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India;

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

1. Delay in submitting the Annual Report of the Company with Stock Exchange by 1 (One) day under Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;
2. Delay in submission of disclosure of related party transactions with Stock Exchange on consolidated basis under Regulation 23(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;
3. Few forms were filed with Registrar of Companies (RoC), Hyderabad with payment of additional fees.

We further report that:

1. We have not examined the Financial Statements, Financial books, related financial Acts and Related Party Transactions etc., For these matters, we rely on the report of statutory auditors for Financial Statement for the financial year ended 31st March, 2023.
2. The Board of Directors of the Company is duly constituted. There were no changes in the composition of the Board of Directors during the period under review.
3. Proper notice, agenda and detailed notes on agenda were given to all directors for the Meetings of Board of Director and Committees and were sent in compliance with Companies Act, 2013 and Secretarial Standards. The necessary system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
4. The decisions of the Board and Committees were carried out with requisite majority as recorded in the minutes of the meetings.
5. The management is responsible for compliance with all business laws. This responsibility includes maintenance of statutory registers / files required by the concerned authorities and internal control of the concerned department.

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

We further report that during the audit period the Company had the following specific events/actions took place having a major bearing on the Company's affairs in pursuance of the above-referred laws, rules, regulations, guidelines, standards, etc:

1. The Company acquired 100% equity shares of Suntree Solar Energy Private Limited making Suntree Solar Energy Private Limited its wholly owned subsidiary.

**For R & A Associates
Company Secretaries**

Sd/-

Rashida Adenwala

M. No.: F4020

C. P. No.: 2224

UDIN: F004020E000769840

Place: Hyderabad

Date: 9th August 2023

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

ANNEXURE-A TO THE SECRETARIAL AUDIT REPORT

To

The Members

SURYALATA SPINNING MILLS LIMITED

Surya Towers, 1st Floor, 105, Sardar Patel Road

Secunderabad-500 003, Telangana, 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. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for my opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. We have relied up on the information provided by the Management with respect to related party transactions for its compliance.

**For R & A Associates
Company Secretaries**

Sd/-

Rashida Adenwala

M. No.: F4020

C. P. No.: 2224

UDIN: F004020E000769840

Place: Hyderabad

Date: 9th August 2023

S SURYALATA SPINNING MILLS LIMITED

Information as required under section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 forming part of Directors Report for the year ended 31st March 2023.

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

A. Conservation of energy

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

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

(ii) **The Steps taken by the Company for utilizing alternate sources of Energy: Solar Power utilization**

(iii) **The Capital Investment on energy conservation equipment's: Nil**

A. **Technology absorption:**

I	The efforts made towards technology absorption	The company has adapted indigenous technology and made innovation on the same.
II	The benefits derived like product Improvement, cost reduction, product Development or import substitution	Product quantities increased with increased capacities and quality increases with advanced technology equipment, resulted to establish the Market reputation for products.
III	In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)	
	the details of technology imported	Nil
	the year of import	2022-2023
	whether the technology been fully absorbed	Completely absorbed
	if not fully absorbed, areas where absorption has not taken place, and thereas on thereof; and	Not Applicable

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

The details of foreign exchange earnings in terms if actual inflow and outflows during the year are detailed in Note No.36 of the Financial Statements.

**For and on behalf of the Board
for Suryalata Spinning Mills Limited**

Sd/-

**Vithaldas Agarwal
Managing Director**

DIN: 00012774

**Add : 8-2-684/3/k/8To10, MLA Colony, Road No. 12,
Banjara Hills, Hyderabad-500034, Telangana**

Sd/-

**Mahender Kumar Agarwal
Joint Managing Director**

DIN: 00012807

**Add : 8-2-684/3/k/8To10, MLA Colony, Road No. 12,
Banjara Hills, Hyderabad-500034, Telangana**

Place: Secunderabad

Date: 12th August 2023

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE:

Your Company strongly believes that robust corporate governance is essential and important for sustainable performance, achieving long-term corporate goals and enhancing stakeholder's value. The timely disclosures, transparent accounting policies coupled with a strong and independent Board go a long way in maintaining good corporate governance, preserving shareholders' trust and maximising long-term corporate value

The Company believes that high standards of Corporate Governance are critical to ensure the business success. We feel proud that we are an ethical and fully compliant Company. The Company has always been conducting its affairs in a fair and transparent manner and maintained ethical standards in its dealings with all its constituents. Suryalata's mission is to constantly review its systems and procedures to achieve the highest level of Corporate Governance in the overall interest of all the stakeholders.

The Company's philosophy on Corporate Governance aims at facilitating effective management of the Company in the conduct of business. The Company endeavours to achieve optimum performance at all levels of management by adhering to the following:

- A. Fair and transparent business practices.
- B. Effective management control by Board.
- C. Adequate representation of Promoter, Executive and Independent Directors on the Board.
- D. Monitoring of executive performance by the Board.
- E. Compliance of laws.
- F. Transparent and timely disclosure of financial and management information.

2. BOARD OF DIRECTORS:

The Company has an experienced, diverse, active and a well-informed Board. The Board provides leadership, strategic guidance, objective and independent views to the Company's management while discharging its fiduciary responsibilities, thereby ensuring that the management adheres to high standards of ethics, transparency and disclosures. It regularly reviews the Company's governance, strategies, risk and compliance framework and business plans.

The Board acts in long term interests of the shareholders and other stakeholders without conflict and make informed decisions and exercise due care and diligence in overseeing the management of the business of the Company.

a) Composition and attendance record for the year 2022-23:

The Companies Act, 2013 and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 governs the composition of the Board of Directors. The Board comprises a combination of Executive and Non-Executive Directors. Presently it consists of Six Directors out of which three are Executive Directors and three are Non-Executive Independent Directors. The Company has a Non-Executive Chairman. Non-Executive Directors bring independent views and judgment in the decision-making process of the Board.

Constitution of the Board, their category, participation of Directors at meetings of the Board during the year 2022-23 and attendance at the last Annual General Meeting held on 29th September 2022.

Name of Director	Category	No. of Board Meetings		Attendance at last AGM
		Held	Attended	
Sri R. Surender Reddy	Non-Executive Independent	5	5	Present
Sri K. R. Suresh Reddy	Non-Executive Independent	5	5	Present
Sri Vithaldas Agarwal	Executive/ Promoter	5	5	Present
Sri Mahender Kumar Agarwal	Executive/ Promoter	5	5	Present
Sri K. Harishchandra Prasad	Non-Executive Independent	5	5	Present
Smt. Madhavi Agarwal	Executive Director	5	5	Present

b) Number of other Companies Directorships & Committee Membership /Chairmanship:

Name of Director	No. of Other Directorship		Chairmanships/ Memberships in other Companies		Name of other listed entities where he/she is a director and the category of directorship
	Private	Public	Chairmanship	Membership	
Sri R. Surender Reddy	-	4	3	7	1. Surya Lakshmi Cotton Mills Limited 2. Surana Solar Limited 3. Lakshmi Finance and Industrial Corporation Limited 4. Bhagyanagar India Ltd
Sri K. R. Suresh Reddy	1	-	-	-	-
Sri K. Harishchandra Prasad	2	5	-	5	1. Keerthi Industries Limited 2. Lakshmi Finance and Industrial Corporation Limited 3. B.N. Rathi Securities Limited
Sri Vithaldas Agarwal	2	-	-	-	-
Sri Mahender Kumar Agarwal	2	-	-	-	-
Smt. Madhavi Agarwal	-	-	-	-	-

*Chairmanship/Membership in Audit & Stakeholders Relationship Committees were only taken into consideration.

c) Number of Board meetings:

In compliance with the provisions of Regulation 17 of the Listing Regulations, the intervening period between two Board Meetings was within the maximum gap of one hundred and twenty days. During the year under review, Four Board meetings were held during the year on:

1. 23rd May 2022;
2. 5th August 2022;
3. 9th November 2022;
4. 6th January 2023;
5. 9th February 2023.

d) Disclosure of relationships between inter-se:

S. No.	Name of the Director	Relationship
1.	Sri Vithaldas Agarwal	Father of Sri Mahender Kumar Agarwal (Joint Managing Director) and Father-in- Law of Smt. Madhavi Agarwal (Whole Time Director)
2.	Sri Mahender Kumar Agarwal	Son of Sri Vithaldas Agarwal (Managing Director) and Husband of Smt. Madhavi Agarwal (Executive Director)
3.	Smt. Madhavi Agarwal	Wife of Sri Mahender Kumar Agarwal (Joint Managing Director) and Daughter-in-law of Sri Vithaldas Agarwal (Managing Director)

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

S. No.	Name of the Director	Number of shares	Number of convertible instruments
1.	Sri R. Surender Reddy	3,600	-
2.	Sri K. R. Suresh Reddy	-	-
3.	Sri K. Harishchandra Prasad	-	-

f) **Details of familiarization programmes imparted to independent Directors:** <https://www.suryalata.com/images/IndependentDirectors.pdf>

g) **Details of Director's individual competence, expertise and skills:**

Name	Skills/expertise/competencies				
	Global Business	Strategy and Planning	Governance	Leadership	Finance
R Surender Reddy	✓	✓	✓	✓	✓
Vithaldas Agarwal	✓	✓	✓	✓	✓
Mahender Kumar Agarwal	✓	✓	✓	✓	✓
K R Suresh Reddy	✓	✓	-	✓	✓
K Harishchandra Prasad	✓	✓	✓	✓	✓
Madhavi Agarwal	✓	-	✓	✓	-

h) **Confirmation that in the opinion of the Board, the Independent Directors fulfil the conditions specified in these regulations and are independent of the management:**

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

i) **Detailed reasons for the resignation of Director and Independent Director, if any:**

During the year under review there was no resignation by any Director or Independent Director.

3. AUDIT COMMITTEE:

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

a) **Brief description of terms of reference:**

- i. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- ii. Scrutiny and review of all financial transactions, inter corporate loans, investments, funds utilization, related party transactions and the general financial condition of the Company;
- iii. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company and approval of remuneration of auditors;
- iv. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- v. Reviewing, with the management, the periodic financial statements and auditor's report thereon before submission to the Board for approval;
- vi. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- vii. Evaluation of internal financial controls and risk management systems;
- viii. To review the functioning of the Whistle Blower mechanism;
- ix. To review statement of deviations in reporting to monitoring agencies.

b) Composition:

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

S. No.	Name of the Member	Designation
1.	Sri R. Surender Reddy	Chairman
2.	Sri K.R. Suresh Reddy	Member
3.	Sri K. Harishchandra Prasad	Member

c) Meetings and Attendance during the year:

During the year 2022-23, five Audit Committee meetings were held on:

1. 23rd May 2022;
2. 5th August 2022;
3. 9th November 2022;
4. 6th January 2023;
5. 9th February 2023

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

S. No.	Name of the Member	No. of Meetings attended
1.	Sri R. Surender Reddy	5
2.	Sri K.R. Suresh Reddy	5
3.	Sri K. Harishchandra Prasad	5

4. NOMINATION AND REMUNERATION COMMITTEE

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

a) Brief description of terms of reference:

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

- i. Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommending to the Board of Directors a policy relating to, the remuneration of the directors, Key Managerial Personnel and other employees;
- ii. Formulation of criteria for evaluation of performance of Independent directors and the Board of directors;
- iii. Devising a policy on diversity of Board of Directors;
- iv. Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommending to the Board of Directors for their appointment and removal;
- v. Performance evaluation of Independent Directors; and
- vi. Recommend to the board, all remuneration, in whatever form, payable to senior management.

b) Composition, names of the members and Chairman:

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

S. No	Name of the Member	Designation
1.	Sri K.R. Suresh Reddy	Chairman
2.	Sri R. Surender Reddy	Member
3.	Sri K. Harishchandra Prasad	Member

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

c) Meetings and Attendance during the year:

1. During the year 2022-23, one Nomination and Remuneration Committee meeting was held on 23rd May 2022.

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

S. No.	Name of the Member	No. of Meetings Attended
1.	Sri R. Surender Reddy	1
2.	Sri K. R. Suresh Reddy	1
3.	Sri K. Harishchandra Prasad	1

d) Performance evaluation criteria:

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

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

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

Performance evaluation was done by the respective bodies on 9th February 2023.

5. DIRECTOR'S REMUNERATION:

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

The remuneration of the Non-Executive Directors of the Company is decided by the Board of Directors, based on the recommendation of Nomination and Remuneration Committee. None of the Non-executive Directors of the Company is entitled to receive any payment from the Company other than by way of sitting fees for attending the Meetings of Boards and its Committees.

The pecuniary relationships/transactions of the Non-Executive Directors are as follows:

S. No	Name of the Director	Sitting fees paid for the Board / committee meetings	Equity Shares held
1.	Sri R. Surender Reddy	69,000	3600
2.	Sri K. R. Suresh Reddy	69,000	0
3.	Sri K. Harishchandra Prasad	66,000	0

Details of remuneration paid to Executive Directors:

A detail of remuneration paid to Managerial Persons of the Company during the year 2022-23 is given below:

Fixed Component		Commission payable as a % on Profit after tax (Rs.)	Contribution to PF (Rs.)	Total (Rs.)
Salary (Including HRA) (Rs.)	Perquisites (Rs.)			
Sri Vithaldas Agarwal — Managing Director				
48,00,000	0			48,00,000
Sri Mahender Kumar Agarwal — Joint Managing Director				
48,21,600	8,43,291			56,64,891
Smt. Madhavi Agarwal — Whole-Time Director				
36,21,600	10,17,145			46,38,745

The Nomination and Remuneration Policy of the Company can be accessed at the Company's website at the link <https://www.suryalata.com/images/POLICY-NOMINATION.pdf>.

Notes:

- The Company has not issued any Stock options.
- There were no service contracts/Agreements with our Directors.
- None of our Directors are eligible for severance pay.
- The terms and conditions with regard to appointments Managing Directors and Executive Directors are contained in the respective resolutions passed by the Board or Members in their respective meetings. There are no severance fees.

6. STAKEHOLDERS RELATIONSHIP COMMITTEE:

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

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

• Brief Description of the terms of reference:

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

• Meetings:

During the year under review, Stakeholder Relationship Committee met once on 9th February, 2023.

• Composition & attendance in committee meeting(s):

The Stakeholders Relationship Committee consists of One Non-Executive Independent Directors and Two Executive Directors of the Company.

Stakeholders Relationship Committee met one-time during the year 9th February, 2023 and all the members were present at the committee. The Committee is chaired by Sri K. R. Suresh Reddy, Non-Executive Independent Director and the members are Sri Vithaldas Agarwal, Managing Director and Sri Mahender Kumar Agarwal, Joint Managing Director.

The status of the shareholders complaints is as follows:

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

7. GENERAL BODY MEETINGS

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

Financial Year	Date	Venue	Time
2021-22	29 th September 2022	Held through Video Conference (VC) or Other Audio Visual Means (OAVM)	02.00 P.M.
2020-21	29 th September 2021	Held through Video Conference (VC) or Other Audio Visual Means (OAVM)	11.30 A.M.
2019-20	5 th October 2020	Held through Video Conference (VC) or Other Audio-Visual Means (OAVM)	10.45 A.M.

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

Date	No. of Special Resolution passed	Particulars of the Special Resolution
29 th September 2022	5	<p>a) To authorize the Board of Directors of the Company for borrowing from time to time any sum or sums of money by way of cash credit, loan, overdraft, discounting of bills, operating of letters of credit, for standing guarantee or counter-guarantee and any other type of credit line or facility up to an amount not exceeding Rupees 200 Crores [Rupees Two Hundred Crores] (including the money already borrowed by the Company).</p> <p>b) Creation of Charges on the movable and immovable properties of the Company, both present and future, in respect of borrowings as per provisions of Section 180 (1) (a) of the Companies Act 2013</p> <p>c) Revision in the terms of payment of remuneration to Sri. Vithaldas Agarwal, Managing Director of the Company.</p> <p>d) Revision in the terms of payment of remuneration to Sri. Mahender Kumar Agarwal, Joint Managing Director of the Company.</p> <p>e) Revision in the terms of payment of remuneration to Smt. Madhavi Agarwal, Whole-time Director of the Company.</p>
29 th September 2021	NIL	NIL
5 th October 2020	1	Re-Appointment of Sri. Mahender Kumar Agarwal, Joint Managing Director for further period of 5 years from 01.01.2021 to 31.12.2025

c) Special Resolutions passed through Postal Ballot:

During the last three years, no postal ballot was conducted.

8. MEANS OF COMMUNICATION:

• Quarterly Results:

The quarterly, half-yearly and annual results of the Company are published by the Company in the newspapers. Annual reports with audited financial statements are sent to the shareholders through permitted mode.

• Newspapers in which Quarterly results are published:

The results are published in Business Standard (English Daily, Hyderabad and Mumbai) and Nava Telangana (Telugu Daily, Hyderabad).

• Website, where the results and other official news releases are displayed:

The results are also displayed on the Company's website: www.suryalata.com

• Whether it also displays official news releases:

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

9. GENERAL SHAREHOLDER INFORMATION

A.	Annual General Meeting Date Time Mode	Through Video Conference (VC) or Other AudioVisual Means (OAVM).
B.	Financial Calendar	1 st April to 31 st March
C.	Date of Book closure	22 nd September 2023 to 28 th September 2023
D.	Dividend Payment Date	Within 30 days from the date of AGM
E.	Listing on Stock Exchanges	BSE Limited. Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 001. Scrip Code: 514138.

The company has paid listing fees to the BSE within the stipulated time for the year 2023-24.

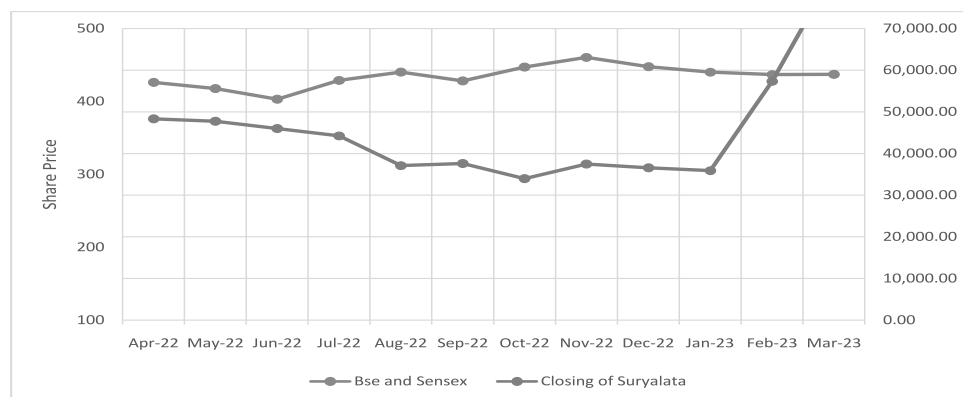
F. Market Price Data:

Monthly high and low quotations as well as the volume of shares traded at BSE for the financial year 2022-23 are as follows:

Month	High Price (Rs.)	Low Price (Rs.)	Volume
Apr-22	425.00	331.00	77329
May-22	420.00	302.00	112661
Jun-22	395.00	342.00	68257
Jul-22	387.20	330.00	45292
Aug-22	374.40	285.00	96454
Sept-22	359.00	302.00	45,608
Oct-22	345.40	290.00	18,217
Nov-22	329.95	294.00	30,453
Dec-22	358.00	272.40	89,851
Jan-23	344.30	298.50	32,151
Feb-23	442.00	294.15	2,52,007
Mar-23	774.95	443.05	8,53,213

G. Stock Performance in Comparison to BSE Sensex

Chart given below shows the stock performance at closing prices in comparison to the broad-based index such as BSE Sensex.



	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23
Suryalata Closing Price	376.00	372.75	362.75	352.90	312.15	314.85	295.05	314.00	309.00	305.20	427.70	578.15
S&P BSE SENSEX	57,060.87	55,566.41	53,018.94	57,570.25	59,537.07	57,426.92	60,746.59	63,099.65	60,840.74	59,549.90	58,962.12	58,991.52

H. Share Transfer System:

KFin Technologies Limited, Hyderabad, is the Company's Registrars and Share Transfer Agents. Share Transfers are registered and returned in the normal course within a period of less than 15 days from the date of receipt, if the documents are in order in all respects, in line with Schedule VII to the Listing Regulations. Request for dematerialization of shares is processed and confirmation is given to the respective depositories, i.e., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) within 15 days. The Registrars and Share Transfer Agents were delegated the power of share transfer to expedite the transfer formalities. It is in line with Schedule VII of the LODR and Reg. 40 of the Listing Regulations.

I. Distribution schedule and shareholding pattern as on 31st March 2023:

SURYALATA SPINNING MILLS LIMITED					
Distribution Schedule as on 31/03/2023 (Total)					
S No	Category	No. of Cases	% of Cases	Amount	% of Amount
1	1-5000	4654	92.84	3644540.00	8.54
2	5001- 10000	189	3.77	1394660.00	3.27
3	10001- 20000	84	1.68	1168040.00	2.74
4	20001- 30000	26	0.52	632480.00	1.48
5	30001- 40000	19	0.38	685890.00	1.61
6	40001- 50000	7	0.14	319370.00	0.75
7	50001- 100000	16	0.32	1082290.00	2.54
8	100001 & Above	18	0.36	33742730.00	79.08
	Total:	5013	100.00	42670000.00	100.00

J. Dematerialization of Shares & Liquidity:

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

International Securities Identification Number (ISIN) allotted for the Company by NSDL and CDSL is INE132C01027. In case a member wants his shares to be dematerialized, he may send the shares along with the request through his depository participant (DP) to the Registrars, KFin Technologies Limited.

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

As on 31st March 2023, 99.06 % of the shares were in Demat mode.

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

The Company has no GDRs/ADRs or any commercial instrument.

L. Commodity price risk or foreign exchange risk and hedging activities:

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

M. Plant Locations:

i)	Marchala Village, Kalwakurthy Mandal, Nagar Kurnool District Telangana Pin Code: 509 320.	ii)	Urukondapet Village, Urukonda Mandal Nagar Kurnool District Telangana Pin Code: 509 320.
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N. Address of Correspondence:
Registrar and Share Transfer Agents:

KFin Technologies Limited Unit: Suryalata Spinning Mills Limited Selenium, Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad — 500 032, Telangana, India
Phone No.: 040 6716 1500 / 6716 2222, E-Mail: einward.ris@kfintech.com Website: www.kfintech.com

Company Secretarial Department

Suryalata Spinning Mills Limited Surya Towers, 1st Floor, 105, Sardar Patel Road, Secunderabad — 500 003, Telangana, India Phone No. : 040-2781 9908/27819909/27774200 E-mail : cs@suryalata.com

O. Credit Rating:

India Ratings & Research has reaffirmed the credit rating for the Company as “IND BBB/Stable for Term Loan, “INDBBB/Stable/IND A3+ for fund based and IND A3+ for fund based, non- fund based working capital facilities and Forward cover facility.

10. DISCLOSURES

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

Pursuant to the Regulation 23 of SEBI(LODR), 2015, the Company and its Directors, the Management or relatives have not entered into any material Related Party Transactions during the period under review. Detailed information on significant related party transactions is enclosed as Annexure - II to the Board's Report and the details of all Related Party Transactions during FY 2022-23 are given at note no.(42) to the Financial Statements.

The Board has approved a Policy for related party transactions which has been uploaded on the Company's Website at www.suryalata.com.

- **Cases of Non-Compliances / Penalties:**

During the year under review, the following penalties were imposed on the Company:

1. Fine of Rs. 5,900/- for Non-compliance with disclosure of related party transactions on consolidated basis under Regulation 23(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which was waived off by the stock exchange;
2. Fine of Rs. 2,360/- for Non-submission of the Annual Report within the period prescribed under Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The delay was a technical error as the due date was on a holiday;

- Vigil Mechanism Information relating to Vigil mechanism has been provided in the Board's Report. The Vigil mechanism policy is available on the website of the Company.
- Details of compliance with mandatory requirements and adoption of the non-mandatory requirements:
The Company has complied with all the mandatory requirements enumerated in Regulation 17 to 27 of the Listing Regulations, 2015 relating to all matters specified therein.
- Web link where policy for determining 'material' subsidiaries is disclosed:
The company does not have any material subsidiary.
- Web link where policy on dealing with related party transactions :
The Board has formulated a policy for related party transactions and revised it in the light of Listing Regulations and including any statutory modification(s) and re-enactment(s) thereof subsequent amendments thereto which is available on the Company's website under the web link: <http://www.suryalata.com/policy.html>.
- Disclosure of commodity price risks and commodity hedging activities:
The Company is not carrying on any commodity business and has also not undertaken any hedging activities; hence the same are not applicable to the Company.
- Details of utilization of funds raised through preferential allotment or qualified institutional placement as specified under Regulation 32 (7A): Not applicable.
- A certificate from the Company Secretary in practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority has been enclosed separately to this report.
- Whether the Board had not accepted any recommendation of any committee of the Board which is mandatorily required, in the relevant financial year: **No**
- Total fees for all services paid by the listed entity to the statutory auditor: Rs. 4,58,000/- (Excluding cost audit.)

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

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

11. Non-compliance of any requirement of corporate governance report of sub-par as (2) to (10) above, with reasons there of:

There are no Non-Compliances during the year under review.

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

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

A. The Board:

The chairperson of the Board is a Non-Executive Independent Director.

B. Shareholders' rights:

All the quarterly financial results are placed on the Company's Website: www.suryalata.com apart from publishing the same in the Newspapers.

C. Modified opinion(s) in audit report:

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

D. Reporting of internal auditor:

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

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

Regulation	Particulars of Regulation	Compliance Status (Yes/No)
17	Board of directors	Yes
18	Audit Committee	Yes
19	Nomination and Remuneration Committee	Yes
20	Stakeholders Relationship Committee	Yes
21	Risk Management Committee	NA
22	Vigil mechanism	Yes
23	Related party transactions	Yes
24	Corporate Governance requirements with respect to Subsidiary of listed entity.	Yes
25	Obligations with respect to Independent directors.	Yes
26	Obligation with respect to Directors and Senior Management.	Yes
27	Other Corporate Governance requirements	Yes
46(2)(b) to (i)	Website	Yes

14. Unclaimed Dividend Amounts and Transfer to IEPF:

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

The Company has uploaded the details of unpaid and unclaimed dividends lying with the Company as on 31.03.2023 and on the website of the Company, and on the website of the Ministry of Corporate Affairs as per the due dates.

During the year under review, the Company has credited Rs. 1,23,693/- (Rupees One Lakh Twenty Three Thousand and Six Hundred Ninety Three Only) to the Investor Education and Protection (IEPF) pursuant to Section 125(1) of the Companies Act 2013.

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

Year	Date of Declaration of Dividend	Amount Outstanding as on 31 st March 2023 (₹)	Due to transfer to IEPF on
2015-16	September 28, 2016	1,21,900	November 3, 2023
2016-17	September 4, 2017	1,05,890	October 3, 2024
2017-18	August 13, 2018	68,349	September 18, 2025
2018-19	September 28, 2019	89,044	November 3, 2026
2019-20	October 05, 2020	55,567	November 11, 2027
2020-21	September 29, 2021	1,020	September 9, 2028
2021-22	September 29, 2022	1,02,017	September 9, 2029

In accordance with the provisions of Section 124(6) of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (as amended from time to time), shares in respect of which dividend has not been paid or claimed for seven consecutive years or more, will be transferred to the demat account of IEPF Authority. The Company has sent notice to all shareholders whose shares are due to be transferred to the IEPF Authority. Members are advised to visit the website of the company to ascertain the details of shares liable for transfer in the name of IEPF Authority.

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

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

Code of Conduct :

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

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

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

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

Declaration on compliance with Code of Conduct is annexed.

Compliance Certificate:

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

Compliance certificate from auditors regarding compliance of conditions of corporate governance:

Compliance certificate from M/s. R&A Associates, Company Secretary, regarding compliance of conditions of corporate governance pursuant to Para E of Schedule V to the Listing Regulations is enclosed separately to this Report.

For and on behalf of the Board of Directors

Sd/-

Vithaldas Agarwal

Managing Director

DIN: 00012774

Add: 8-2-684/3/k/8To10, MLA Colony,

Road No. 12, Banjara Hills,

Hyderabad-500034, Telangana

Place: Secunderabad

Date: 12th August 2023

Declaration on Compliance with Code of Conduct

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

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

The Members of the Board and Senior Management personnel have affirmed compliance with code of conduct on an annual basis in respect of the financial year ended 31st March 2023.

For and on behalf of the Board of Directors

Sd/-

Vithaldas Agarwal
Managing Director

DIN: 00012774

Add: 8-2-684/3/k/8To10, MLA Colony
Road No. 12, Banjara Hills
Hyderabad-500034, Telangana, India

Place: Secunderabad

Date: 12th August 2023

**Certificate by Chief Executive Officer (CEO) and Chief Financial Officer (CFO)
For financial year ended 31st March 2023**

To

The Board of Director

Suryalata Spinning Mills Limited

We, Vithaldas Agarwal, Managing Director and K Nageswara Rao, Chief Financial Officer (CFO) of Suryalata Spinning Mills Limited hereby certify to the Board that:

- a) We have reviewed the financial statements and the cash flow statements for the year ended 31st March 2023 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 in violation of the Company's code of conduct;
- c) We accept responsibility for establishing and maintaining internal controls in the Company and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or the operation of internal controls, if any, of which we are aware and the steps that we have taken or propose to take and rectify the identified deficiencies;
- d) We have indicated to the auditors and the Audit Committee of:
 - i. Significant changes in the internal control over financial reporting during the year;
 - ii. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. There are no instances of significant fraud of which we have become aware.
- e) We affirm that we have not denied any personnel access to the Audit Committee of the Company (in respect of matters involving alleged misconduct).
- f) We further declare that all Board Members and designated Senior Management have affirmed compliance with the Code of Conduct for the Current year.

Place: Secunderabad
Date: 12th August 2023

Sd/-
K Nageswara Rao
Chief Financial Officer

Sd/-
Vithaldas Agarwal
Managing Director
DIN: 00012774

**PRACTISING COMPANY SECRETARY CERTIFICATE ON
COMPLIANCE OF CORPORATE GOVERNANCE**

[Pursuant to Regulation 34(3) read with in Part E of Schedule V of SEBI (LODR), 2015]

To

**The members of
Suryalata Spinning Mills Limited
Secunderabad**

We have examined the compliance of conditions of Corporate Governance by Suryalata Spinning Mills Limited for the year ended 31st March 2023 as stipulated in Chapter IV of the Securities and Exchange Board of India(Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) as per the Listing Agreement entered into the by the said Company with stock exchange.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the 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 an opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, the Company has complied with the conditions of Corporate Governance as stipulated in the above listing Regulation.

We state that in respect of investor grievances received during the year ended 31st March 2023, no investor grievances are pending against the Company, as per the records maintained by the Company and presented to the Investors/ Shareholders Grievance Committee. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For R&A Associates
Company Secretaries**

Sd/-

**Rashida Adenwala
Founder Partner**

Place: Hyderabad

Date: 9th August 2023

M. No: F4020 C. P. No: 2224

UDIN: F004020E000769906

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) of SEBI (LODR) Regulations, 2015 read with PARA-C Clause 10 (i) of Schedule V)

To

The Members of

Suryalata Spinning Mills Limited

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Suryalata Spinning Mills Limited** bearing **CIN L18100TG1983PLC003962** and having registered office Surya Towers, I Floor 105, Sardar Patel Road, Secunderabad-500003, Telangana, India (hereinafter referred to as '**the Company**'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Clause 10 (i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on 31st March 2023, have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

S. No.	Name of the Director	DIN
1.	Mr. Vithaldas Agarwal	00012774
2.	Mr. Mahender Kumar Agarwal	00012807
3.	Mr. Suresh Reddy Kethireddy	00074879
4.	Mr. Surender Reddy Ramasahayam	00083972
5.	Mrs. Madhavi Agarwal	06866592
6.	Mr. Harishchandra Prasad Kanuri	00012564

Ensuring the eligibility of the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these, based on my verification.

This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For R&A Associates
Company Secretaries**

Sd/-

Rashida Adenwala

Founder Partner

Place: Hyderabad

Date: 9th August 2023

M. No: F4020 C. P. No: 2224

UDIN: F004020E000769862

MANAGEMENT DISCUSSION AND ANALYSIS

CORPORATE INFORMATION

Suryalata Spinning Mills Limited (the Company) is a public limited company incorporated on 23rd May, 1983 having experienced in manufacturing Yarns for forty years. Its registered office at 105, S P Road, Surya Towers, 1st Floor, Secunderabad, Telangana State. The company is listed on the Bombay Stock Exchange.

ORGANIZATION OVERVIEW

The company is engaged in producing the best quality of Synthetic Blended Yarns and it is one of the large producers of 100% PSF Yarns, 100% VSF Yarns, P/V blended yarns and value-added Yarns like Slub yarns, Elite Twist and T F O (two for one twister) yarns etc., with counts ranging from 10s to 60s. The company has a production capacity of approx 80 MTs per day. The company is having two manufacturing units on Kalwakurthy and Urukondapet– Jadcherla Road in Nagerkurnool District, Telangana, only an hour away from the Hyderabad International Airport and the distance between the two units is 5 Kms. The Company is having total installed capacity of 1,16,976 spindles. The units are maintaining standard operational system and certification of “ISO 9001:2015”.

The company sells its finished goods (Yarn) to various dealers located in the Indian domestic market as well as in the international market.

GLOBAL ECONOMIC REVIEW

The global economic growth declined from 6% to 3.2% in 2022. The weakness in global sentiment was largely on account of two events. The Russia-Ukraine conflict affected global trade and consumer sentiment through the course of the last year. Besides, the trade disruption between US and China affected product movements across continents. These events translated into a structural shift of importance: the world began to consider resource procurement from non-China supply chain partners with the objective of moderating their excessive dependence on China.

The Indian economic growth declined from 8.7% in FY 2021-22 to 7.0% in FY 2022-23, which is still a creditable performance considering that the growth of the previous year was on account of a lower base of FY 2020-21, a year marked by the pandemic. Besides, India's growth was possibly the fastest within the G20 economy and the country retained its position as the fifth largest global economy. We consider this preference to have significant global implications; even if a fifth of the global supply coming out of China could move to alternative countries like India, there could be a considerable redistribution of capacity that could transform some of these nations.

GLOBAL TEXTILE INDUSTRY

The global textile market size was valued at USD 1,695.13 billion in 2022 and is anticipated to grow at a compound annual growth rate (CAGR) of 7.6% in terms of revenue from 2023 to 2030. The ever-increasing apparel demand

from the fashion industry, coupled with the meteoric growth of e-commerce platforms, is expected to drive market growth over the forecast period.

The Russia-Ukraine war disrupted the chances of global economic recovery from the COVID-19 pandemic, at least in the short term. The war between these two countries has led to economic sanctions on multiple countries, a surge in commodity prices, and supply chain disruptions, causing inflation across goods and services and affecting many markets across the globe.

However, the rapidly growing consumer preference towards sustainable products is forcing major textile companies to focus on restructuring their business and investing in manufacturing practices that target sustainable products. Fashion is gaining increasingly higher importance in the lifestyle of consumers. The fashion segment dominated the market with more than 72.4% of the global revenue share in 2022, owing to the increasing consumer spending on clothing and apparel. In addition, high consumer requirements for crease-free suiting & shirting fabrics, as well as quality dyed & printed fabrics across the globe, are likely to drive the global market demand for textiles over the forecast period.

The natural fibers product segment led the market and accounted for a revenue share of 44.1% in 2022 because of their extensive use in diverse applications of the fashion and apparel industry. The surging demand for natural fibers from the apparel and fashion industries is expected to be a key driver for the growth of the natural fibers segment of the textile market over the forecast period. However, these fibers are costlier than synthetic fibers, which can act as an obstacle to the growth of the natural fibers segment of the textiles market.

Polyester is expected to witness a growth rate of 7.4% from 2023 to 2030, which can be attributed to its beneficial properties such as high strength, chemical & wrinkle resistance, and quick drying. It is used in households as cushioning & insulating material in pillows, as well as in industries for making carpets, air filters, coated fabrics, and other products.

INDIAN ECONOMIC REVIEW

Despite the three shocks of COVID-19, Russian-Ukraine conflict and the Central Banks across economies led by Federal Reserve responding with synchronised policy rate hikes to curb inflation, leading to appreciation of US Dollar and the widening of the Current Account Deficits (CAD) in net importing economies, agencies worldwide continue to project India as the fastest-growing major economy at 6.5-7.0 per cent in FY23.

India's economic growth in FY23 has been principally led by private consumption and capital formation and they have helped generate employment as seen in the declining urban unemployment rate and in the faster net registration in Employee Provident Fund. Moreover, World's second-

largest vaccination drive involving more than 2 billion doses also served to lift consumer sentiments that may prolong the rebound in consumption. Still, private capex soon needs to take up the leadership role to put job creation on a fast track.

The growth is expected to be brisk in FY24 as a vigorous credit disbursal, and capital investment cycle is expected to unfold in India with the strengthening of the balance sheets of the corporate and banking sectors. Further support to economic growth will come from the expansion of public digital platforms and path-breaking measures such as PM Gati Shakti, the National Logistics Policy, and the Production-Linked Incentive schemes to boost manufacturing output.

INDIAN TEXTILE INDUSTRY

India is the 3rd largest exporter of Textiles & Apparel in the world. India's textiles and clothing industry is one of the mainstays of the national economy. The textile industry continues to contribute immensely to the exchequer – 4% to the global trade in textiles and apparels, 2.3% to the GDP and constitutes 7% of industry output in terms of value and 12% of the country's export earnings. As India strives to become '**ATMANIRBHAR**', textiles assume higher significance in helping the country expand its global footprint and achieve the mission of 'Make in India'.

India's yarn production was pegged at 341.91 lakh bales in FY 2022-23. India's yarn exports declined in volume but increased in value during the first half of 2022. India exported 9.69 lakh ton yarn worth \$3.472 billion during the year under review. Bangladesh remained the top buyer with 32.72% share, while Turkey stood second with import of 11.40% of all Indian exports during the period.

Man Made Fibers are poised to grow as a result of significant investments in world class production plants, ongoing innovation, new product mix and the need for countries to seek an alternative to China in their restructured supply chain

To push this forward, the government has stepped up efforts to enter into Free Trade Agreements (FTAs) with all major exporting nations. Once materialized, these FTAs would give India a level playing field with competitors who enjoy duty-free access. The government has already inked such pacts with Australia and other key export nations.

China has long been accused of human rights violations and forced labour in the Xinjiang Uyghur Autonomous Region (XUAR), which produces 20% of the world's cotton. To check this, the US implemented the Uyghur Forced Labor Prevention Act in June 2022, which requires enterprises to be able to certify that imported items from XUAR were not created using forced labour, failing which they will have their shipment seized. The European Commission has proposed a similar prohibition.

This coupled with various initiatives of the government, including the Production Linked Incentives scheme that aims to give companies incentives on incremental

sales from products manufactured in domestic units, are collectively set to serve as a sure-shot booster dose to propel the country's post-pandemic growth story.

GOVERNMENT INITIATIVES FOR TEXTILE INDUSTRY

The Textile industry is one of the largest source of employment generation in the country with an estimated 45 million people directly engaged in this sector including a large number of women and rural population. The Government is promoting investment in this sector which will create additional jobs, businesses and skilling opportunities under the broad objectives of various policy initiatives of the Government including "Skill India" and "Make in India":

1. Scheme for Capacity Building in Textile Sector (SAMARTH) - To address the skilled manpower requirement across textile sector, the scheme was formulated, under the broad policy guidelines of "Skill India" initiative and in alignment with the framework adopted for skilling programme by Ministry of Skill Development and Entrepreneurship.
2. Amended Technology Up-gradation Fund Scheme (ATUFS): In order to promote ease of doing business in the country to achieve the vision of generating employment and promoting exports through "Make in India" with "Zero effect and Zero defect" in manufacturing, ATUFS was launched in January 2016 to provide credit linked Capital Investment Subsidy (CIS) to units for purchase of benchmarked machinery in different segment of Textile Sectors (excluding spinning). This scheme is effective up to March, 2022.
3. National Technical Textile Mission: Creation of National Technical Textiles Mission for a period of 4 years (2020-21 to 2023-24) was approved with an outlay of Rs.1480 crore for developing usage of technical textiles in various flagship missions, programmes of the country including strategic sectors.
4. Production Linked Incentive (PLI) Scheme - The PLI Scheme for Textiles to promote production of MMF apparel, MMF Fabrics and Products of Technical Textiles in the country to create 60-70 global players, attract fresh investment of Rs. 19,000 crore approximately and generate almost 7.5 lakh new employment opportunities.
5. PM-MITRA: To attract investment for 'Make In India' initiative and to boost employment generation through setting up of 7 (Seven) PM Mega Integrated Textile Region and Apparel (PM MITRA) Parks in Greenfield/Brownfield sites with world class infrastructure including plug and play facility with an outlay of Rs.4445 crore for a period of seven years upto 2027-28.
6. Scheme for Integrated Textile Parks (SITP): The scheme provides support for creation of world-class infrastructure facilities for setting up of textile units.

7. Integrated Processing Development Scheme (IPDS): In order to facilitate the textile industry to meet the required environmental standards and to support new Common Effluent Treatment Plants (CETP)/upgradation of CEPTs in existing processing clusters as well as new processing parks specially in the Coastal Zones.
8. Special Package for Textile and Apparel sector: Rs. 6000 crore package was launched in June 2016 to boost employment and export potential in the apparel and made up segments.

Green Power / Renewable Energy:

India's energy demand is expected to increase more than that of any other country in the coming decades due to its sheer size and enormous potential for growth and development. The Central Electricity Authority estimates India's power requirement to grow to reach 817 GW by 2030. and India plans to meet 50% of its electricity needs from renewable sources majorly from solar by 2030.

There is a greater focus on renewable energy in India. The country has set an ambitious target to achieve 500 GW renewable energy by 2030. India is reporting the fastest solar electricity growth; by 2026, new capacity additions are expected to double. With the increased support of the Government and improved economics, the sector has become attractive from an investors perspective. As India looks to meet its energy demand on its own, which is expected to reach 15,820 TWh by 2040, solar energy is set to play an important role.

The Indian Prime Minister pledged at the COP26 Climate Conference in Glasgow that India would achieve net zero carbon emissions by 2070, \marks a historic point in the global effort to combat climate change.

Considering the importance giving by the Indian Government and the available State Government guidelines of the Solar Policy, the company installed Solar Power Plants of 11 MW within the manufacturing units for Captive consumption of power generations. These installed capacities mitigate 20% of the company annual power requirements and reduces the dependence on DISCOM power supplies.. The Company has approval from the Board to install more such solar generation plants and increase the capacities for captive consumption and contribute to the improving of the environment as well as bring in cost efficiencies. The company also has a state-of-the-art Sewage Treatment Plants in both the units whereby 95% of the water used in the factories is purified and recycled.

The Company also acquired Suntime Solar Energy Pvt Ltd as its 100% subsidiary, which is having 10 MW AC Capacity Solar Power Plant with Power Purchase Agreement for 20 years (remaining period of 12 years) with Telangana Government, installed in 64 acres of land in the state of Telangana.

FUTURE OF SPINNING PROJECTS:

The company had evaluated the various technology changes in spinning industry and taken a decision to expand Yarn product volumes thru the new product of Vortex Yarn, with an investment of Rs.115.0 crore, which is an equivalent to 30000 ring spindle capacities, expecting to complete in the current financial year 2023-24. On completion of this project, the company top line will increase by about Rs.100.00 cr per annum.

OPPORTUNITIES & THREATS OF COMPANY: Your Company has always taken advantage of the opportunities ahead of time due to the visionary insight of its management to improve its operations and be consistent even in turbulent times. The following are the USP's of your Company:

- a) Installation of advanced technology equipment
- b) Experienced management team with exposure in textile industry.
- c) Good reputation in the market due to quality and timely supplies.
- d) Emphasis on quality of product nurtured across the company.
- e) The company has established strong presence in the market for several years.
- f) The business model is simple & needs minimum marketing requirement.
- g) India has rich resources of raw materials of textile industry. It is one of the largest producers of cotton in the world and is also rich in resources of fibers like polyester, silk, viscose etc.,.

The Company estimates the Threats to Synthetic Industry such as :

- a) Over specialization and significant changes in raw cotton prices effects to Fiber prices;
- b) Processing is the weakest link in the Indian textile value chain, adversely affecting its ability to compete in exports;
- c) High power costs and high Interest costs are burdened for this thin margin industry;
- d) Long export lead times are eroding India's export competitiveness across the textile chain;
- e) Currency fluctuations are highly affecting the synthetic spinning industry;
- f) Profitability undermined by volatile raw material prices and rising wages;
- g) Fierce competition weighing on margins and further stressed by e-commerce activities;
- h) Changing consumer behavior (e.g. fast fashion) forcing T&C to become more flexible.

RISKS AND CONCERNS:

Risks are inevitable in today's world and Suryalata strongly believes that its success depends upon identification of potential risks in advance and the creation of appropriate mitigation strategies to bypass or minimise impact, to the extent possible.

Effective risk management comprises of:

- i. constantly scans its external environment to identify emerging threats while also evaluating its impact on its business goals.
- ii. Standard policy to pass the cost increases with its premium quality positioning.
- iii. Consciously following with the up-keep of equipment and implementing the cost control methods
- iv. Strengthen and widen the customer base with quality products and timely supplies.

FUTURE OUTLOOK OF THE COMPANY:

Synthetic Yarn products are the most preferred yarns in the textile industry due to its unique features like lower price and availability at uniform throughout the year. The future for the synthetic textile industry looks promising, buoyed by both strong domestic consumption as well as export demand in segments of apparel, home furnishing, automotive, and filtration, personal care and hygiene applications.

Further, Government support to speed up the release of input tax credits, providing export incentive schemes, supporting with PF contributions to new workers, reduction in ESI contributions helps for cost reduction, Skill development training supports to mitigate and to protect the textile industry to some extent.

Considering all these initiatives and supports, the company focuses to strengthen the financial position and to increase the volumes from the expanded capacities.

KEY FINANCIAL RATIOS:

Debtors / Turnover	Current year – 4.51 % (previous year 6.15%)	Improved with speed collections and due to lower volume of exports
Inventory/ Turnover	Current year – 4.93 % (previous year 7.96%)	Low volumes of raw materials and finished goods due to price volatile
Interest Coverage Ratio	Current year – 1.08% (previous year 1.57%)	Repayments of borrowings
Debt / Equity Ratio	Current year – 0.21 % (previous year 0.35%)	Repayment of Term loans installments
Operating Profit Margin (PBT)	Current year – 10.05% (previous year 12.61%)	Pressure on Pricing, drop in margins of finished goods and cost inflation for inputs
Net Profit Margin (PAT)	Current year – 6.42 % (previous year 9.90%)	Pressure on Pricing, drop in margins of finished goods and cost inflation for inputs
Return on Net Worth	Current year – 13.71 % (previous year 24.43%)	Pressure on Pricing, drop in margins of finished goods and cost inflation for inputs

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has a well-established framework of internal controls in all areas of its operations, processes and tasks including suitable monitoring procedures and competent personnel. The Company's internal financial control framework is commensurate with the size and operations of the business and is in line with requirements of the Companies Act, 2013. To make its internal controls effective and sound, Suryalata thoroughly and regularly evaluates the nature and extent of such risks to which the Company is exposed. In addition to statutory audit, the financial controls of the Company at various locations are reviewed by the Internal Auditors, who report their findings to the Audit Committee of the Board.

The qualified, experienced and independent Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of internal controls systems and suggests improvements whenever required.

The Committee meets to review the progress of the internal audit initiatives, significant audit observations and planning and implementation of follow-up action required. The Company conducts its business with integrity and high standard of ethical behavior.

REVIEW OF FINANCIAL & OPERATIONAL PERFORMANCE:

The Net turnover of your Company for the Financial Year 2022-23 was Rs. 479.26 crores in comparison to Rs. 480.34 crore in the previous year. The production during the year was 27496 MTs in comparison to 26,427 MTs in previous year.

Your Company has earned a Profit Before Tax of Rs. 43.29 crore in comparison to Rs. 60.58 crore in the previous year. The Company earned a Profit After Tax of Rs. 31.03 crore in comparison to Rs. 47.75crore in the previous year.

**Standalone
Financial
Statements**

INDEPENDENT AUDITOR’S REPORT

To the Members of SURYALATA SPINNING MILLS LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **SURYALATA SPINNING MILLS LIMITED** (“the company”), which comprise the Standalone Balance Sheet as at March 31, 2023, the Standalone Statement of Profit and Loss (including other comprehensive income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (herein after referred to as “the financial statements”)

In our opinion and to the best of our information and according to the explanations given to us, the accompanying standalone financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, the profit and other comprehensive income, changes in equity and its cash flows 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) specified under Section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditors responsibility for the Audit of Standalone 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 (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the 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 standalone 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 standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matters	Auditor’s Response
<p>Revenue Recognition</p> <p>Revenue is one of the key profit drivers and is there for susceptible to misstatements. Cut-off is the key assertion in so far as revenue recognition is concerned, since an inappropriate cut-off can result in material misstatement of results for the years.</p>	<p>Our Procedures included.</p> <p>Our audit procedures with regards to revenue recognition included testing controls, automated and manual, around dispatches/deliveries, inventory reconciliations and circularization of receivable balances, substantive testing for cut-off and analytical review procedures.</p>

Information Other than the Financial Statements and Auditor’s Report Thereon

The Company’s Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements and our auditor’s report thereon.

Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone 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 and Those Charged with Governance for the Standalone 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 standalone 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 Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued there under and other accounting principles generally accepted in India.

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 the 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone 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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone 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 standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when,

in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 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 standalone balance sheet, the standalone statement of profit and loss including other comprehensive income, standalone statement of changes in equity and the standalone 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 Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.
 - e) On the basis of written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act,
 - f) With respect to the adequacy of internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
 - g) With respect to the Managerial remuneration to be included in the auditor's report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the company to its directors during the year is in accordance with the provisions of Section 197 of 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, 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 39(B) to the standalone financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv.
 - a. The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b. The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - c. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) above, contain any material misstatement.

S SURYALATA SPINNING MILLS LIMITED

- V a. The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.
- b. As stated in note 37(B) to the standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.
3. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. 1 April 2023, reporting under this clause is not applicable.

for **K.S.RAO & CO.**
Chartered Accountants
Firm's Regn No. 003109S

(M.Naga Prasadu)
Partner
Membership No. 231388
UDIN: 23231388BGYLDL4391

Place : Hyderabad
Date : 29.05.2023

Annexure - A to the Auditor's Report:

The Annexure referred to in Para 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date, to the members of SURYALATA SPINNING MILLS LIMITED, for the year ended March 31, 2023.,

- i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:
 - a. (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
(B) The Company has maintained proper records showing full particulars of intangible assets.
 - b. The Company has a regular program of physical verification of its property, plant and equipment, and right of use assets under which the assets are physically verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain property, plant and equipment were verified during the year and 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 all the immovable properties (other than Properties where the company is the lessee, and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
 - d. The company did not revalue its Property, Plant and Equipment or intangible assets during the year. Accordingly, paragraph 3 (i)(d) of the Order is not applicable.
 - e. There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder
- ii.
 - a. The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed.
 - b. In our opinion and according to the information and explanation given to us and the records of the Company examined by us during the course of the audit, the quarterly returns or statements filed by the company with banks or financial institutions are in agreement with the books of account of the Company.
- iii.
 - a. The Company has not provided any security to any other entity. However, the company has provided loans to its subsidiary, during the year amounting to Rs. 4502.20 Lakhs.
 - b. The Company has not provided any guarantee or given any security or granted any loans or advances in the nature of loans during the year. However, the Company has made investment in its subsidiary amounting to Rs. 97.80 Lakhs in our opinion, and according to the information and explanations given to us, such investments made are, prima facie, not prejudicial to the interest of the Company.
 - c. In respect of loans granted by the Company, the schedule of repayment of principal has been stipulated and the repayments of the principal are regular. Further, no interest is receivable on such loans.
 - d. There is no amount which is overdue for more than 90 days in respect of loans or advances in the nature of loans granted to such companies, firms, LLPs, or other parties.
 - e. The Company has not granted any loan or advance in the nature of loan which has fallen due during the year, Further, no fresh loans were granted to any party to settle the overdue loans/advances in nature of loan that existed as at the beginning of the year.
 - f. The Company has not granted any loan or advance in the nature of loan, which is repayable on demand or without specifying any terms or period of repayment.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Act, with respect to the investments made.
- v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
- vi. We have broadly reviewed the cost records maintained by the Company pursuant to sub-section (1) of section 148 of the Companies Act and are of the opinion that prime facie the prescribed accounts and records have been made and maintained. We have however not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

- vii. a. According to the records, the company is regular in depositing undisputed statutory dues including Goods and service tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and all other material statutory dues with the appropriate authorities and there were no arrears of statutory dues as at March 31, 2023 for a period of more than six months from the date they became payable.
- b. According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues relating to Goods and service tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and all other material statutory dues which have not been deposited on account of any disputes.
- viii. According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been recorded in the books of accounts.
- ix. a. According to the information and explanations given to us, the Company has not defaulted in repayment of loans or in the payment of interest thereon to any lender.
- b. According to the information and explanations given to us including representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a wilful defaulter by any bank or financial institution or other lender.
- c. In our opinion and according to the information and explanations given to us, the Company has utilized the money obtained by way of term loans during the year for the purpose for which they were obtained.
- d. In our opinion and according to the information and explanations given to us, and on an overall examination of the standalone financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- e. According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- f. According to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries.
- x. a. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, para 3 (x)(a) of the Order is not applicable.
- b. During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence, reporting under clause 3(x)(b) of the Order is not applicable.
- xi. a. No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- b. No report under section 143(12) of the Act has been filed with the Central Government for the period covered by our audit.
- c. According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, para 3(xii) of the Order is 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 sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. a. In our opinion, the company has an adequate internal audit system commensurate with the size and nature of its business;
- b. We have considered the reports of the Internal Auditors for the period under audit.;
- 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 its Directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

S SURYALATA SPINNING MILLS LIMITED

- xvi. a. In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) ad (c) of the Order is not applicable
- b. In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016 and accordingly reporting under 3(xvi)(d) of the Order is not applicable;
- xvii. The company has not incurred any cash losses in the financial year and also in the immediately preceding financial year.
- xviii. There is no resignation of statutory auditors of the Company during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. According to the information and explanations given to us, the Company does not have any unspent amount in respect of any ongoing or other than ongoing project as at the expiry of the financial year. Accordingly, reporting under Para 3(xx) of the Order is not applicable to the Company.

for **K.S.RAO & CO.**
Chartered Accountants
Firm's Regn No. 003109S

(M.Naga Prasadu)
Partner
Membership No. 231388
UDIN: 23231388BGYLDL4391

Place : Hyderabad
Date : 29.05.2023

Annexure – B to the Auditor’s Report

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

We have audited the internal financial controls with reference to standalone financial statements of SURYALATA SPINNING MILLS LIMITED (“the Company”) as of March 31, 2023 in conjunction with our audit of the standalone 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 with reference to standalone financial statements 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 Act.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to standalone financial statements 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, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements, both issued by ICAI. 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 with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material aspects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to these standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud and error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s financial controls with reference to standalone financial statements.

Meaning of Internal Financial Controls with Reference to Standalone Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, 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 with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with policies or procedures may deteriorate.

S SURYALATA SPINNING MILLS LIMITED

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2023, 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 ICAI.

for **K.S.RAO & CO.**
Chartered Accountants
Firm's Regn No. 003109S

Place : Hyderabad
Date : 29.05.2023

(M.Naga Prasadu)
Partner
Membership No. 231388
UDIN: 23231388BGYLDL4391

S SURYALATA SPINNING MILLS LIMITED

STANDALONE BALANCE SHEET AS AT 31st March, 2023

(All amounts in ₹ Lakhs)

Particulars	Note No.	As at 31.03.2023	As at 31.03.2022
I. ASSETS			
1. Non-Current assets			
(a) Property, Plant and Equipment	2.1	19,447.17	20,036.15
(b) Capital work-in-progress	2.2	1,020.38	62.82
(c) Intangible Assets	2.3	0.00	0.13
(d) Financial Assets			
(i) Loans	3	0.56	0.60
(ii) Other financial assets	4	5,883.93	1,198.45
(e) Other non-current assets	5	981.49	1,156.83
Total Non-current assets		27,333.53	22,454.98
2. Current assets			
(a) Inventories	6	2,364.90	3,824.39
(b) Financial Assets			
(i) Investments	7	98.07	0.17
(ii) Trade receivables	8	2,161.41	2,956.73
(iii) Cash and cash equivalents	9	555.23	307.68
(iv) Other Bank Balances	10	618.46	1,436.72
(v) Other financial assets	11	123.35	49.78
(c) Other current assets	12	720.19	1,112.06
Total Current assets		6,641.61	9,687.53
Total Assets		33,975.14	32,142.51
II. EQUITY AND LIABILITIES			
1. Equity			
(a) Equity Share capital	13	426.70	426.70
(b) Other Equity	14	22,209.89	19,119.64
Total Equity		22,636.59	19,546.34
2. Non- Current liabilities			
(a) Financial Liabilities			
Borrowings	15	3,157.86	4,827.24
(b) Deferred tax liabilities (Net)		2,611.25	2,365.81
(c) Other non-current liabilities	16	183.96	220.74
Total Non- current liabilities		5,953.07	7,413.79
3. Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	17	3,734.91	2,861.08
(ii) Trade payables	18		
Micro and small enterprises		32.47	79.11
Other than micro and small enterprises		157.21	194.58
(iii) Other financial liabilities	19	1,210.05	1,573.61
(b) Other current liabilities	20	58.14	76.36
(c) Provisions	21	191.71	137.84
(d) Current tax liabilities (net)	22	0.99	259.80
Total Current liabilities		5,385.48	5,182.37
Total liabilities		11,338.55	12,596.16
Total Equity and Liabilities		33,975.14	32,142.51
Significant Accounting policies and Key accounting adjustments & Judgments	1-45		

As Per Our Report of even date
for **K S RAO & CO.,**
Chartered Accountants
Firm Regn. No. : 003109S

for and on behalf of the Board

(M.Naga Prasadu)
Partner
Membership No. 231388

Kushuboo Jain
Company Secretary

VITHALDAS AGARWAL
Managing Director

Place : Secunderabad
Date : 29th May, 2023

K.NAGESWARA RAO
Chief Financial Officer

MAHENDER KUMAR AGARWAL
Joint Managing Director

Standalone Statement of Profit and Loss for the Year ended 31st March, 2023 (All amounts in ₹ Lakhs)

Particulars	Note No.	Current Year 31.03.2023	Previous Year 31.03.2022
I. Revenue from operations	23	47,926.24	48,034.47
II. Other Income	24	383.60	169.00
III. Total Income (I + II)		48,309.84	48,203.47
IV. EXPENSES			
Cost of Raw material Consumed	25	29,973.43	27,237.12
Changes in inventories of finished goods, and work in Process	26	80.86	1,738.12
Employee benefits expense	27	3,401.55	3,140.12
Finance costs	28	527.50	878.29
Depreciation and amortization expense	29	1,206.98	1,142.79
Other expenses	30	8,790.69	8,009.07
Total expenses (IV)		43,981.02	42,145.51
V. Profit before exceptional items and tax (III - IV)		4,328.82	6,057.96
VI. Tax expense:			
a. Current Tax		1,010.00	1,536.06
b. Deferred Tax		215.59	(253.34)
Total Tax Expenses (VI)		1,225.59	1,282.72
VII. Profit for the period (V - VI)		3,103.23	4,775.24
VIII. Other Comprehensive income	31		
i. Items that will not be reclassified subsequently to profit or loss		33.36	(69.12)
ii. Income tax relating to items that will not be reclassified to profit or loss		(8.40)	17.40
Total Other Comprehensive Income for the period (VIII)		24.96	(51.72)
IX. Total Income for The Period (VII + VIII)		3,128.19	4,723.52
X. Earnings per equity share in Rs (Face value of Rs 10/- each)	32		
Basic and Diluted		72.73	111.91
Significant Accounting policies and Key accounting adjustments & Judgments	1-45		

As Per Our Report of even date
for **K S RAO & CO.,**
Chartered Accountants
Firm Regn. No. : 003109S

for and on behalf of the Board

(M.Naga Prasadu)
Partner
Membership No. 231388

Kushuboo Jain
Company Secretary

VITHALDAS AGARWAL
Managing Director

Place : Secunderabad
Date : 29th May, 2023

K.NAGESWARA RAO
Chief Financial Officer

MAHENDER KUMAR AGARWAL
Joint Managing Director

I STANDALONE STATEMENT OF CHANGES TO EQUITY
A. Equity Share Capital

Particulars	(Figures in Lakhs)
As at April 01,2021	426.70
Changes in equity share capital	-
As at march 31,2022	426.70
Changes in equity share capital	-
As at march 31,2023	426.70

B. Other Equity

Particulars	Security Premium	Capital Redemption Reserve	Preference capital redemption reserve	General reserve	Retained earnings	Equity components of compound financial Statements	Remeasurement of defined benefit plan	Total
Balance as 1 st April,2021	1288.20	1207.36	385.00	10000.00	1445.13	29.27	66.46	14421.42
Profit for the Year					4775.24			4775.24
Other Comprehensive income for the year (Net)							(51.72)	(51.72)
Transfer to Capital reserve								
Transfer to general reserve				3000.00	(3000.00)			0.00
Equity Dividend Paid					(25.30)			(25.30)
Balance as at 31 st March, 2022	1288.20	1207.36	385.00	13000.00	3195.07	29.27	14.74	19119.64
Profit for the Year					3103.23			3103.23
Other Comprehensive income for the year (Net)							24.96	24.96
Transfer to general reserve				3000.00	(3000.00)			0.00
Equity Dividend Paid					(37.94)			(37.94)
Balance as at 31st March, 2023	1288.20	1207.36	385.00	16000.00	3260.36	29.27	39.70	22209.89

The description of nature and purpose of reserves within equity is as follows :

- (i) **Security Premium :** Premium received on issue of equity shares credited to security premium reserve, It can be utilized as per the provision of section 63 of the companies act.
- (ii) **Capital Redemption Reserve :** Created on redemption of preference shares, It can be utilized as per section 63 of the companies act.
- (iii) **Preference Capital Redemption Reserve :** Created against the profits for redemption of preference shares issued. It can be utilized for redemption of preference shares on due date.
- (iv) **General reserve :** Reserve is created from time to time by transfer of profits from retained earnings. It can be utilised as per provisions of the companies act.
- (v) **Retained earnings :** Retained earnings are accumulation of profits earned by the company. It can be utilised for distribution of dividends to equity share holders.
- (vi) **Re-measurement of defined benefit obligations :**

The reserve represents the remeasurement gains/(losses) arising from the actuarial valuation of the defined benefit obligations of the Company.

The re-measurement gains/(losses) are recognised in other comprehensive income and accumulated under this reserve within equity. The amounts recognised under this reserve are not reclassified to profit or loss.

As Per Our Report of even date
for **K S RAO & CO.,**
Chartered Accountants
Firm Regn. No. : 003109S

for and on behalf of the Board

(M.Naga Prasadu)
Partner
Membership No. 231388

Kushuboo Jain
Company Secretary

VITHALDAS AGARWAL
Managing Director

Place : Secunderabad
Date : 29th May, 2023

K.NAGESWARA RAO
Chief Financial Officer

MAHENDER KUMAR AGARWAL
Joint Managing Director

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023 (All amounts in ₹ Lakhs)

PARTICULARS	Year Ended 31.03.2023		Year Ended 31.03.2022	
A CASH FLOW FROM OPERATING ACTIVITIES				
Profit before tax		4,328.82		6,057.96
Adjustment for:				
Depreciation	1,206.98		1,142.79	
Finance Charges	527.50		878.29	
Fair value (Profit)/Loss on Investments	(0.10)		(0.01)	
Other Comprehensive Income/(Loss)	33.36		(69.12)	
(Profit)/Loss on sale of Assets (net)	5.34		-	
Interest Income	(236.69)	1,536.39	(63.94)	1,888.01
Operating Profit before working capital Changes		5,865.21		7,945.97
Movement in Working Capital				
Decrease/(Increase) in Inventories	1,459.49		655.72	
Decrease/(Increase) in Receivables	795.33		(1,281.25)	
Decrease/(Increase) in Loans & Advances	1,136.61		(1,243.01)	
(Decrease)/Increase in Non Current Liabilities	(36.79)		(328.98)	
(Decrease)/Increase in Current Liabilities	(411.92)	2,942.72	804.26	(1,393.26)
Cash Generated from Operations		8,807.93		6,552.71
Taxes Paid		(1,268.81)		(1,409.87)
Net Cash flow from Operating Activities (A)		7,539.12		5,142.84
B CASHFLOW FROM INVESTING ACTIVITIES				
Proceeds from sale of Assets	0.70		3.50	
Interest Received	168.44	169.14	69.66	73.16
OUTFLOW:				
Decrease/(Increase) in Non-current financial assets	(4,502.20)		(196.10)	
Decrease/(Increase) in Financial assets	(183.28)			
Acquisition of fixed assets including Capital Work in Progress	(1,677.19)		(2,339.00)	
(Increase)/Decrease in Investments	97.80			
(Increase)/Decrease in Advance for Capital equipment	175.34	(6,089.54)	(899.06)	(3,434.15)
Net Cash flow from Investing activity (B)		(5,920.40)		(3,360.99)
C CASH FLOW FROM FINANCING ACTIVITIES				
Unsecured Loans received	183.00		35.00	
Hire Purchase Loans Received	35.00			
Deferred Payment Loan - Hero			1,884.55	
Increase/(decrease) in Bank Borrowings	740.36	958.36	(358.29)	1,561.26

SURYALATA SPINNING MILLS LIMITED

PARTICULARS	Year Ended 31.03.2023	Year Ended 31.03.2022
OUT FLOW		
Repayment of Term loans	(1,300.00)	(1,350.00)
Dividends Paid	(68.74)	(25.29)
Repayment of preference shares		-
Repayment of Solar Project loan - Hero	(353.21)	(648.14)
Repayment of Hire Purchase loans	(31.31)	(28.64)
Repayment of sales tax loans	(110.78)	(113.16)
Repayment of Unsecured loans	(27.00)	(99.00)
Interest Paid	(438.50)	(799.80)
Net Cash flow from financing activities ('C)	(1,371.18)	(1,502.77)
Net increase/(decrease) in Cash/Cash Equivalents during the year (A+B+C)	247.55	279.08
Add: Cash/Cash equivalents at the beginning of the year	307.68	28.59
Cash/Cash equivalents at the end of the year	555.23	307.68

Notes :

- The above Cash Flow Statement has been prepared under the "Indirect Method" set out in Indian Accounting Standard (Ind-AS) - 7 on Statement of Cash flow.
- Previous year comparatives have been reclassified to confirm with current year's presentation, where ever applicable.
- Cash and Cash equivalents comprises of :

S.No	Particulars	As at 31.03.2023	As at 31.03.2022
A.	Cash on Hand	5.28	5.50
B.	Balances in bank a/c's	549.96	302.18
	a. Current Accounts		
	b. Ear marked balance with Banks - Unpaid dividends		
	Cash and Cash equivalents in Cash Flow Statement	555.23	307.68

As Per Our Report of even date
for **K S RAO & CO.,**
Chartered Accountants
Firm Regn. No. : 003109S

for and on behalf of the Board

(M.Naga Prasadu)
Partner
Membership No. 231388

Kushuboo Jain
Company Secretary

VITHALDAS AGARWAL
Managing Director

Place : Secunderabad
Date : 29th May, 2023

K.NAGESWARA RAO
Chief Financial Officer

MAHENDER KUMAR AGARWAL
Joint Managing Director

Notes to Standalone Financial Statements for the Year Ended 31st March, 2023 CORPORATE INFORMATION

Suryalata Spinning Mills Limited (the “Company”) is a public limited company incorporated on May 23rd, 1983 and as its Registered office at 105, S P Road, Surya Towers , 1st Floor, Secunderabad, Telangana State. The Company is engaged in producing the best quality of Synthetic Yarns like 100% Polyester (PSF) Yarns, 100% Viscose (VSF) Yarns, PSF & VSF Blended Yarns and Value Added Yarns suitable for suitings, shirtings and knitting. The Company has established in the domestic market as well as in the international market and sells its products through the multiple channels. The Company is listed on Bombay Stock Exchange.

The financial statements of the company for the year ended March 31st, 2023 are approved for issue by the Company’s Board of Directors on May 29th, 2023.

SIGNIFICANT ACCOUNTING POLICIES AND KEY ACCOUNTING ESTIMATES AND JUDGEMENTS.

I Significant Accounting Policies:

1. Statement of Compliance:

These financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standard) Rules, 2015 notified under section 133 of the Companies Act 2013, amendments there to and other relevant provisions of the Act.

2. Basis of Preparation and Measurement:

These Ind AS Financial Statements have been prepared on a going concern basis using historical cost convention and on an accrual method of accounting, except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below. The accounting policies have been applied consistently over all the periods presented in these financial statements.

The financial statements are presented in INR which is also the Company’s functional currency and all values are rounded to the nearest Lakhs (INR 00,000), except when otherwise indicated.

3. Classification of Assets and liabilities as Current and Non-current

The company has determined its operating cycle as 12 months for the purpose of classification of current and non-current assets and liabilities. This is based on the nature of product and the time between the acquisition of inventories for processing and their realization in cash and cash equivalents. All assets and liabilities have been classified as current or non-current as per the Company’s normal operating cycle and other criteria set out in the Schedule III(Division II) to the Companies Act, 2013.

Deferred tax assets and deferred tax liabilities are classified as non-current assets and non-current liabilities.

4. Use of estimates & judgments:

The estimates and judgments used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognized in the period in which the results are known / materialized.

5. Property, Plant and Equipment-Tangible Assets:

- i. Property, plant and equipment other than land are stated at cost less accumulated depreciation and impairment losses if any. Freehold land is carried at cost of acquisition. Cost comprises of purchase price and any attributable cost of bringing the assets to its working condition for its intended use.
- ii. Capital work-in-progress in respect of assets which are not ready for their intended use are carried at cost, comprising of direct costs, related incidental expenses and attributable interest.
- iii. Subsequent expenditure are capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company. Costs in nature of repairs and maintenance of equipment are recognized in the Statement of Profit and Loss as and when incurred.
- iv. Depreciation on Fixed Assets is provided on ascertain useful life of assets under Straight Line Method (SLM) prescribed in Schedule II of the Companies act-2013 except the assets costing `5000 or less on which depreciation is charged @100% in the year of acquisition.

Notes to Standalone Financial Statements for the Year Ended 31st March, 2023

- v. The Company follows the policy of charging depreciation on pro-rata basis on the assets acquired or disposed off during the year.

6. Intangible Assets

Intangible Assets are stated at cost less accumulated amortization. Cost includes any expenditure directly attributable on making the asset ready for its intended use.

Intangible assets are amortized over their useful life as estimated by the management which is about 6 years for ERP software.

7. Impairment of Assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. Recoverable value being higher of value in use and fair value less cost of disposal. Value in use is computed at net present value of cash flow expected over the balance useful life of the assets. An impairment loss is recognized as an expense in the Profit and Loss Account in the year in which an asset is identified as impaired.

8. Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At the date of commencement of lease, the Company recognises a Right-of-use asset ("ROU") and a corresponding liability for all lease arrangements in which it is a lessee, except for leases with the term of twelve months or less (short term leases) and low value leases. For short term and low value leases, the Company recognises the lease payment as an operating expense on straight line basis over the term of lease.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate explicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases.

9. Inventory:

Inventories are valued at the lower of cost and net realizable value. The cost is determined on Weighted Average basis. Cost of finished goods and work-in-process include all costs of purchases, conversion costs and other costs incurred in bringing the inventories to their present location and condition.

Raw materials, Stores, spares and packing materials are valued at cost on weighted average basis. Scrap is valued at net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of necessary to make sale.

10. Financial Instrument:

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

a. Financial Asset:

Initial recognition and measurement

All financial instruments are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset, purchase or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place are recognized on the trade date i.e. the date that the company commits to purchase or sell the asset.

Subsequent Measurement

For the purpose of subsequent measurement financial assets are classified as measured at:

- 1) Amortized Cost
- 2) Fair value through profit and loss (FVTPL)
- 3) Fair value through other comprehensive income (FVTOCI)

Notes to Standalone Financial Statements for the Year Ended 31st March, 2023

Financial Asset measured at amortized cost

Financial Assets held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and 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 are measured at amortized cost using effective interest rate (EIR) method. The EIR amortization is recognized as finance income in the statement of Profit & Loss.

The company while applying above criteria has classified all the financial assets (except investments in equity shares) at amortized cost.

Financial Assets Measured at fair value through other comprehensive income

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income(OCI). Interest income measured using the EIR method and impairment losses, if any are recognized in the Statement of Profit and Loss. On de-recognition, cumulative gain or loss previously recognized in OCI is reclassified from the equity to ' other income ' in the Statement of Profit and Loss.

Financial Assets at fair value through profit or loss (FVTPL)

Financial Assets are measured at fair value through Profit & Loss if it does not meet the criteria for classification as measured at amortized cost or at FVTOCI. All fair value changes are recognized in the statement of profit & loss.

De-recognition of Financial Assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset.

Impairment of Financial Assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the debt instruments, that are measured at amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance.

Expected credit loss 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.

The management uses a provision matrix to determine the impairment loss on the portfolio of trade and other receivables. Provision matrix is based on its historically observed expected credit loss rates over the expected life of the trade receivables and is adjusted for forward looking estimates.

Expected credit loss allowance or reversal recognized during the period is recognized as income or expense, as the case may be, in the statement of profit and loss. In case of balance sheet, it is shown as reduction from the specific financial asset.

b. Financial Liabilities.

Initial recognition and measurement

Financial liabilities are recognized initially at fair value plus any transaction cost that are attributable to the acquisition of the financial liability except financial liabilities at FVTPL that are measured at fair value.

Subsequent Measurement

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognized in the Statement of Profit and Loss.

Financial Liabilities at amortized cost

Amortized cost for financial liabilities represents amount at which financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount. All the financial liabilities of the company are subsequently measured at amortized cost using Effective Interest method.

Notes to Standalone Financial Statements for the Year Ended 31st March, 2023

De recognition of Financial Liabilities

A financial liability shall be derecognized when, and only when it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expires.

11. Government Grants:

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions. Grants related to revenue items are presented as part of profit or loss as a reduction from related expense. The benefit of a government loan at a below market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

12. Foreign Currency Transactions

The functional and presentation currency of the Company is Indian Rupee. Transactions in foreign currency are accounted for at the exchange rate prevailing on the transaction date. Gains/ losses arising on settlement as also on translation of monetary items are recognized in the Statement of profit and loss.

13. Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are recognized as an expense in the period in which they are incurred.

14. Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured a regardless of when the payment made. The specific recognition criteria described below must also be met before revenue is recognized.

a. Sale of Products

Revenue from the sale of goods is recognized when significant risks and rewards of ownership have been transferred to the customer, the company no longer retain continuing managerial involvement to the degree usually associated with ownership nor has effective control over the goods sold, which is mainly upon delivery, the amount of revenue can be measured reliably and recovery of the consideration that will be derived in the sale of goods.

The Company collects Goods & Service Tax (GST) on behalf of the government and therefore, these are not economic benefits flowing to the Company. Hence these are excluded from the revenue. Revenue from export sales is recognized on the date of bill of lading, based on the terms of export.

b. Recognition of Export benefits

Export benefits entitlements in respect of incentives schemes including Duty Drawback, RoDTEP(Export Incentive), Merchandise Export Incentive Scheme (MEIS) of the Government of India are recognized in the year in which Export Sales are accounted for.

c. Interest Income

Interest on deposits with government departments and financial institutions are recognized in statement of profit and loss when the right to receive/receivable during the period.

15. Taxes on Income

Tax expense comprises of current and deferred tax

a. Current tax

Current tax expense for the year is ascertained on the basis of assessable profits computed in accordance with the provisions of the Income Tax Act, 1961.

b. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet

Notes to Standalone Financial Statements for the Year Ended 31st March, 2023

date. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

16. Dividend Distribution

Annual dividend distribution to the shareholders is recognized as a liability in the period in which the dividend is approved by the shareholders. Any interim dividend paid is recognized on approval by Board of Directors. Dividend payable and corresponding tax on dividend distribution is recognized directly in equity.

17. Employee Benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

a. Defined Contribution plans

Contribution towards Provident Fund for employees is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution schemes as the Company does not carry any further obligations, apart from the Contributions made on a monthly basis.

b. Defined benefit plans

Gratuity liability is defined benefit obligation and is provided on the basis of an actuarial valuation on projected unit credit method made at the end of each year. The Company funds the benefit through contributions to SBI Life.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses and the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income (OCI). Net interest expense (income) on the net defined liability/assets is computed by applying the discount rate, used to measure the net defined liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in Statement of Profit and Loss.

18. Provisions

Provisions are recognised when, as a result of a past event, the Company has a legal or constructive obligation; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. The amount so recognised is a best estimate of the consideration required to settle the obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation.

In an event when the time value of money is material, the provision is carried at the present value of the cash flows estimated to settle the obligation.

19. Contingent Liabilities

Contingent Liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

20. Claims

Claims against the Company not acknowledged as debts are disclosed after a careful evaluation of the facts and legal aspects of the matter involved.

21. Offsetting

Financial Assets and Financial Liabilities are offset and the net amount presented in the Balance Sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

Notes to Standalone Financial Statements for the Year Ended 31st March, 2023

22. Earnings per share

The Company presents basic and diluted earnings per share (“EPS”) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

23. Cash flow statement

Cash flows are reported using the indirect method. Where by profit for the period is adjusted for effects of transactions of a non-cash nature, any deferrals are accruals 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.

24. Segment Reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the company’s Chief Operating Decision Maker (“CODM”) to make decisions for which discrete financial information is available. Based on the management approach as defined in Ind AS 108, the CODM evaluates the Company’s performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments.

The operations of the company are related to one segment i.e. spinning in textiles

25. Events after Reporting date

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the 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.

26. Critical Accounting Estimates and Judgments

The preparation of financial statements is in conformity with generally Accepted Accounting Principles require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the result of operations during the reporting period. Although these estimates are based upon management’s best knowledge of current events and actions, actual results could differ from these estimates. Revisions in accounting estimates are recognized prospectively.

The areas involving critical estimates or judgments are –

- Estimates of Useful life of Property, plant and equipment and intangible Assets (refer note 1.5 & 1.6)
- Measurement of defined benefit obligation (refer note 1.17)
- Recognition of deferred taxes (refer note 1.15)
- Estimation of impairment (refer note 1.7 and 1.10)
- Estimation of provision and contingent liabilities (refer note 1.18 and 1.19)



Notes to Standalone Financial Statements for the Year Ended 31st March, 2023

Note No. 2.1(a) : Property, Plant and Equipment

(All amounts in Rs. Lakhs)

Sl. No.	Particulars	Gross Block		Gross carrying amount			Accumulated Depreciation			Net Carrying amount	
		As at 01.04.2022	As at 31.03.2023	Additions	Deductions	As at 31.03.2023	Upto 01.04.2022	For the Year	Deductions	Upto 31.03.2023	As at 31.03.2023
1	Land (Freehold)	198.15	198.15			198.15	-				198.15
2	Buildings										
	- Factory Buildings	4,437.72	4,437.72			4,437.72	1,469.19	151.96	-	1,621.15	2,816.57
	- Non Factory Buildings	2,151.15	2,151.15			2,151.15	312.03	40.25	-	352.28	1,798.87
3	Plant and Equipment										
	- Plant & Machinery	20,529.39	20,645.76	132.45	16.08	20,645.76	8,123.86	771.65	8.63	8,886.88	11,758.89
	- Workshop Equipment	52.04	52.04			52.04	26.42	2.14	-	28.56	23.48
	- Testing Equipment	83.51	83.51			83.51	83.51	-	-	83.51	0.00
	- Electrical Installations	1,312.10	1,312.10			1,312.10	984.96	66.60	-	1,051.56	260.54
	- Weighing Machinery	13.02	13.55	0.53		13.55	13.02	0.03	-	13.05	0.50
	- Water Works	48.71	48.71			48.71	36.70	4.64	-	41.34	7.37
4	Furniture & Fixtures	127.75	131.26	3.51		131.26	111.63	5.06	-	116.69	14.57
5	Office Equipment	91.69	95.09	3.39		95.09	83.21	3.53	-	86.74	8.35
6	Vehicles	245.14	278.90	43.81	10.05	278.90	149.53	25.25	10.05	164.72	114.18
7	Data Processing Equipment	66.94	66.94			66.94	58.06	4.66	-	62.72	4.22
8	Material Handling Equipment	742.15	826.88	84.73		826.88	305.51	48.52		354.04	472.84
9	Solar Power Plant	1,730.53	2,087.42	356.89		2,087.42	36.22	82.56		118.78	1,968.64
	Total	31,830.00	32,429.19	625.32	26.13	32,429.19	11,793.85	1,206.85	18.68	12,982.02	19,447.17



Notes to Standalone Financial Statements for the Year Ended 31st March, 2023

Note No. 2 .1(b) : Property, Plant and Equipment

(All amounts in Rs. Lakhs)

Sl. No.	Particulars	Gross Block		Gross carrying amount			Accumulated Depreciation			Net Carrying amount	
		As at 01.04.2021	As at 31.03.2022	Additions	Deductions	As at 31.03.2022	Upto 01.04.2021	For the Year	Deductions	Upto 31.03.2022	As at 31.03.2022
1	Land (Freehold)	198.15	198.15	-	-	198.15	0.00	-	-	-	198.15
2	Buildings										
	- Factory Buildings	4,437.72	4,437.72	-	-	4,437.72	1,322.01	147.19	-	1,469.19	2,968.53
	- Non Factory Buildings	1,819.52	2,151.15	331.63	-	2,151.15	280.65	31.38	-	312.03	1,839.12
3	Plant and Equipment										
	- Plant & Machinery	20,412.75	20,529.39	213.82	97.18	20,529.39	7,461.02	760.02	97.18	8,123.86	12,405.53
	- Workshop Equipment	52.04	52.04	-	-	52.04	24.28	2.14	-	26.42	25.62
	- Testing Equipment	83.51	83.51	-	-	83.51	83.51	-	-	83.51	0.00
	- Electrical Installations	1,312.10	1,312.10	-	-	1,312.10	905.13	79.83	-	984.96	327.14
	- Weighing Machinery	13.02	13.02	-	-	13.02	13.02	-	-	13.02	0.00
	- Water Works	48.71	48.71	-	-	48.71	31.47	5.23	-	36.70	12.01
4	Furniture & Fixtures	119.11	127.75	8.64	-	127.75	104.76	6.87	-	111.63	16.12
5	Office Equipment	84.48	91.69	7.21	-	91.69	81.28	1.93	-	83.21	8.49
6	Vehicles	252.28	245.14	-	7.14	245.14	134.69	21.98	7.14	149.53	95.61
7	Data Processing Equipment	61.35	66.94	5.59	-	66.94	56.49	1.57	-	58.06	8.88
8	Material Handling Equipment	706.70	742.15	35.45	-	742.15	258.21	47.30	-	305.51	436.64
9	Solar Power Plant		1,730.53	-	-	1,730.53	-	36.22	-	36.22	1,694.31
	Total	29,601.45	31,830.00	2,332.87	104.32	31,830.00	10,756.51	1,141.65	104.32	11,793.85	20,036.15

Notes to Standalone Financial Statements for the Year Ended 31st March, 2023

Note No. 2.2 : Capital work-in-progress (CWIP)

(All amounts in ₹ Lakhs)

2.2 (a) Ageing Schedule

Capital work-in-progress	Amount in CWIP for a period of			Total as at 31st March 2023
	Less than 1 Year	1-2 Years	2-3 years More than 3 years	
Project in Progress	1,020.38	-	-	1,020.38
Project temporarily suspended	-	-	-	-

2.2 (b) Ageing Schedule

Capital work-in-progress	Amount in CWIP for a period of			Total as at 31st March 2022
	Less than 1 Year	1-2 Years	2-3 years More than 3 years	
Project in Progress	62.82	-	-	62.82
Project temporarily suspended	-	-	-	-

Note No. 2.3(a) : Intangible Assets

Sl. No.	Particulars	Gross Block		Gross carrying amount			Accumulated Depreciation			Net Carrying amount	
		As at 01.04.2022	As at 31.03.2023	Additions	Deductions	As at 31.03.2023	Upto 01.04.2022	For the Year	Deductions	Upto 31.03.2023	As at 31.03.2023
1	Computer Software	14.19	14.19	-	-	14.19	14.06	0.13	-	14.19	-0.00
	Total	14.19	14.19	0.00	0.00	14.19	14.06	0.13	0.00	14.19	-0.00

Note No. 2.3(b) : Intangible Assets

Sl. No.	Particulars	Gross Block		Gross carrying amount			Accumulated Depreciation			Net Carrying amount	
		As at 01.04.2021	As at 31.03.2022	Additions	Deductions	As at 31.03.2022	Upto 01.04.2021	For the Year	Deductions	Upto 31.03.2022	As at 31.03.2022
1	Computer Software	14.19	14.19	-	-	14.19	12.92	1.13	-	14.06	0.13
	Total	14.19	14.19	0.00	0.00	14.19	12.92	1.13	0.00	14.06	0.13

Notes to Standalone Financial Statements for the Year Ended 31st March, 2023 (All amounts in ₹ Lakhs)

Note No.	PARTICULARS	As at 31.03.2023	As at 31.03.2022
	Financial Assets		
3	Loans :		
	Staff loans	0.56	0.60
	Total	0.56	0.60
4	Other financial assets :		
a.	Security deposits recoverable (Telephone, TSSPDCL & Other Deposits)	1,033.75	962.97
b.	Term Deposits with balance maturity of more than 12 months	347.98	235.48
c.	Inter corporate Loan - Suntime solar Energy P Ltd	4,502.20	
	Total	5,883.93	1,198.45
5	Other non-current assets(unsecured, considered good):		
	Advances for Capital Works	981.49	1,156.83
	Total	981.49	1,156.83
6	Inventories:		
	(As certified by the management)		
a.	Raw Materials (Valued at lower of cost or net realisable value basis)	908.32	2,352.32
b.	Finished Goods (including consignment stocks) (Valued at lower of cost or net realisable value basis)	648.95	652.45
c.	Stores & Spares (Valued at cost on weighted average basis)	448.27	382.91
d.	Stocks-in-process (Valued at cost)	358.72	436.25
e.	Others - 'PV & PSF Waste (at realisable value)	0.64	0.46
	Total	2,364.90	3,824.39
7	Investments - Current:		
a.	Investment in Equity Instruments		
	Fair value through profit or loss -Quoted- Non Trade 800 Equity Shares in UCO Bank of Rs.10/-	0.20	0.09
b.	Unquoted 999 Equity Shares in YP Solar P Ltd of Rs.10/- each	0.07	0.08
c.	At Cost Unquoted - Non traded 8,15,000 Equity Shares in Suntime Solar P Ltd of Rs.10/- each	97.80	
	Total	98.07	0.17
8	Trade Receivables:		
A.	Secured Considered Good		
B.	Unsecured, Considered Good		
	i). related parties		
	ii). Others	2,161.41	2,956.73
	Trade Receivables which have significant increase in credit Risk		
	Trade Receivables - Credit impaired		
	Total	2,161.41	2,956.73

Notes to Standalone Financial Statements for the Year Ended 31st March, 2023 (All amounts in ₹ Lakhs)

8.a Trade Receivables ageing Schedule

S NO	Particulars	Outstanding for following periods from due date of payment					Total as at 31 march 2023
		Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
		INR lacs	INR lacs	INR lacs	INR lacs	INR lacs	INR lacs
a)	Undisputed Trade Receivables – considered good	2,161.41					2,161.41
b)	Undisputed Trade Receivables – which have significant increase in credit risk						-
c)	Undisputed Trade receivable – credit impaired						-
d)	Disputed Trade receivables - considered good						-
e)	Disputed Trade receivables – which have significant increase in credit risk						-
f)	Disputed Trade receivables – credit impaired						-

8.b Trade Receivables ageing Schedule

S NO	Particulars	Outstanding for following periods from due date of payment					Total as at 31 march 2022
		Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
		INR lacs	INR lacs	INR lacs	INR lacs	INR lacs	INR lacs
a)	Undisputed Trade Receivables – considered good	2,947.26					2,947.26
b)	Undisputed Trade Receivables – which have significant increase in credit risk						-
c)	Undisputed Trade receivable – credit impaired						-
d)	Disputed Trade receivables - considered good					9.47	9.47
e)	Disputed Trade receivables – which have significant increase in credit risk						-
f)	Disputed Trade receivables – credit impaired						-

Note No.	PARTICULARS	As at 31.03.2023	As at 31.03.2022
9	Cash and cash equivalents:		
a.	Cash on Hand	5.28	5.50
b.	Balances in bank a/c's Current Accounts	549.95	302.18
	Total	555.23	307.68
	* Cash and cash equivalents include cash on hand, cheques & drafts on hand, cash at bank and deposits with banks with original maturity of 3 months or less.		
10	Other Bank balances		
	Balances with banks		
a.	Term deposits with balance maturity less than 12 months	613.04	1,431.06
b.	Unclaimed dividend accounts	5.42	5.66
	Total	618.46	1,436.72

Notes to Standalone Financial Statements for the Year Ended 31st March, 2023 (All amounts in ₹ Lakhs)

Note No.	PARTICULARS	As at 31.03.2023	As at 31.03.2022
11	Other financial assets - Current:		
a.	Advances to Staff & Workers	15.65	10.34
b.	Interest receivable	107.70	39.44
	Total	123.35	49.78
12	Other Current Assets:		
a.	Advances for Suppliers & Expenses	187.94	369.19
b.	Prepaid Expenses	45.32	52.89
c.	Export Benefit entitlement Receivable	17.01	92.39
d.	GST benefit entitlement	333.01	437.81
e.	State Incentive Receivables	136.91	159.78
	Total	720.19	1,112.06
13	Equity Share Capital:		
A.	Authorised Share Capital:		
(i)	90,00,000 Equity Shares of Rs. 10/- each	900.00	900.00
(ii)	8,00,000 preference share of Rs 100/- each	800.00	800.00
	Total	1,700.00	1,700.00
B.	Issued Share Capital:		
(i)	42,67,000 Equity shares of Rs 10/- each	426.70	426.70
(ii)	1,50,000 7% Cumulative Redeemable Pref shares of Rs. 100 each	-	-
(iii)	3,85,000 8% Cumulative Redeemable Pref shares of Rs. 100 each	385.00	385.00
	Total	811.70	811.70
C.	Subscribed and fully paid up capital:		
(i)	42,67,000 Equity shares of Rs 10/- each	426.70	426.70
	Total	426.70	426.70
D.	Reconciliation of the shares outstanding at the beginning and at the end of year:		
	Particulars	No. of Shares	Value of Shares
(A)	Equity Share Capital		
	At the Beginning and at the end of the period	42,67,000	4,26,70,000
(B)	Preference Share Capital		
(i)	8% Cumulative Redeemable Preference Shares		
	At the Beginning and at the end of the period	3,85,000	3,85,00,000
E.	Details of Shareholders holding more than 5% shares in the company:		
(A)	Equity Shares:		
a.	Vithaldas Agarwal - No of shares held	8,18,844	8,18,844
	- In % of total shares of the Company	19.19%	19.19%
b.	Mahender Kumar Agarwal - No of shares held	12,47,133	12,47,133
	- In % of total shares of the Company	29.23%	29.23%
c.	Madhavi Agarwal - No of shares held	7,45,291	7,45,291
	- In % of total shares of the Company	17.47%	17.47%

Notes to Standalone Financial Statements for the Year Ended 31st March, 2023 (All amounts in ₹ Lakhs)

F. Shares held by promoters of the Company

Promoter's Name	FY 2022-23			
	No of Shares held at the start of the year	No of Shares held at the end of the year	% total shares	% change during the year
Vithaldas Agarwal	8,18,844	8,18,844	19.19%	0.00%
Mahender Kumar Agarwal	12,47,133	12,47,133	29.23%	0.00%
Madhavi Agarwal	7,45,291	7,45,291	17.47%	0.00%

G. Rights, preferences and restrictions attached to the ordinary Shares

The Company has only one class of equity shares having par value of Rs .10/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees, the dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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 proportion to the number of equity shares held by the shareholders.

(All amounts in ₹ Lakhs)

Note No.	PARTICULARS	As at 31.03.2023	As at 31.03.2022
14	Other Equity		
a.	Securities Premium	1,288.20	1,288.20
b.	Capital Redemption Reserve	1,207.36	1,207.36
c.	Preference Capital Redemption Reserve	385.00	385.00
d.	General Reserve	16,000.00	13,000.00
e.	Retained Earnings	3,260.37	3,195.07
	At the beginning of the period	3,195.08	1,445.13
	(+) For the current year	3,103.23	4,775.24
	(-) Dividend on Equity Shares	37.94	25.29
	(-) Corporate Dividend Tax	-	-
	(-) Transfer to General Reserve	3,000.00	3,000.00
f.	Equity portion of Preference Shares	29.27	29.27
g.	Items of Other Comprehensive Income		
	Remeasurment of net defined benefit plans	39.70	14.74
	Total	22,209.89	19,119.64
15	Borrowings - Non Current:		
	Secured		
A.	Term loans-Banks :		
i).	IDBI Bank Limited		
	Term Loan	1,750.00	2,446.13
	less: Current maturities	700.00	700.00
	Sub total	1,050.00	1,746.13
ii).	Indusind Bank		
	Term Loan	1,498.25	2,093.63
	less: Current maturities	600.00	600.00
	Sub total	898.25	1,493.63
	Total	1,948.25	3,239.76

Notes to Standalone Financial Statements for the Year Ended 31st March, 2023 (All amounts in ₹ Lakhs)

Details of security for Term loans

Loans referred in (a) and (b) are secured by pari passu first charge on all movable and immovable properties of the Company present and future. These loans are further secured by personal guarantees of two promoter Directors of the company and pledge of some shares of the promoters of the company.

Terms of Repayment:

Particulars	Sanction Date	Rate of Interest	Quarterly Instalments
A) IDBI Bank Limited			
i) Term Loan - II	13.05.2016	9.60%	10
B) IndusInd Bank Term Loan	13.12.2016	9.10%	10

(All amounts in ₹ Lakhs)

Note No.	PARTICULARS	As at 31.03.2023	As at 31.03.2022
B. HERO Deferred Payment			
	HREPL - Solar Power Plant	886.70	1,238.22
	Less: Current maturities	353.21	353.20
	Sub total	533.49	885.02
C. Vehicle loans from banks		33.14	22.87
	Note : Vehicle loans are secured by hypothecation of the respective vehicles and guaranteed by the Managing Director of the Company.		
	Unsecured		
D. Preference shares			
	8% Cumulative Redeemable Preference shares of Rs.100 each	385.00	385.00
	Sub total	385.00	385.00
E. Unsecured loans			
	- Loans from related parties	-	-
	Inter-Corporate Deposits	5.11	5.11
	Sub total	5.11	5.11
F. Deferred payment liabilities			
	-Sales Tax Deferment (loan)		
	Sub total	252.87	289.48
	Grand total (A+B+C+D+E+F)	3,157.86	4,827.24
16 Other non-current liabilities			
	Deferred Government Grant	183.96	220.74
	Total	183.96	220.74
17 Borrowings :			
A. Secured			
	Loans repayable on demand from banks *		
	(i) HDFC		
	Cash Credit	1,520.64	780.28
	(ii) IDBI Bank Ltd		
	Cash Credit	-	-
	Sub total	1,520.64	780.28

Notes to Standalone Financial Statements for the Year Ended 31st March, 2023 (All amounts in ₹ Lakhs)

NOTE:

* Working Capital loans from bank referred to in (A) above are secured by hypothecation of stock in trade, raw materials, stock in process, stores and spares and receivables present and future and by a second charge on the present and future movable and immovable properties of the Company on pari passu basis. The loans further secured by personal guarantees of two promoter directors of the Company.

Note No.	PARTICULARS	As at 31.03.2023	As at 31.03.2022
B. Unsecured			
	Loans from Directors	445.00	289.00
	Sub total	445.00	289.00
C. Current maturity of long term debt			
i) IDBI Bank Limited	Term Loan	700.00	700.00
ii) Deffered Payment	HREPL - Solar Power Plant	353.21	353.20
iii) Indusind Bank	Term Loan	600.00	600.00
iv) Vehicle Loans from Banks		21.23	27.82
v) Sales tax deferment (loan)		94.83	110.78
	Sub total	1,769.27	1,791.80
	Total	3,734.91	2,861.08
18 Trade Payables :			
	Micro, Small and Medium Enterprises	32.47	79.11
	Other than Micro, Small and Medium Enterprises	157.21	194.58
	Total	189.68	273.69

18 a Trade Payable ageing schedule

S NO	Particulars	Outstanding for following periods from due date of payment				31-Mar-23
		Less than 1 Year	1-2 years	2-3 years	More than 3 years	
		INR lacs	INR lacs	INR lacs	INR lacs	
a)	Total outstanding dues of MSME	32.47				32.47
b)	Total outstanding dues of creditors other than MSME	155.23	1.98			157.21
c)	Disputed dues of creditors - MSME					
d)	Disputed dues of creditors - Other than MSME					

18 b Trade Payable ageing schedule

Particulars	Outstanding for following periods from due date of payment				31-Mar-22	
	Less than 1 Year	1-2 years	2-3 years	More than 3 years		
	INR lacs	INR lacs	INR lacs	INR lacs		
a)	Total outstanding dues of MSME	79.11				79.11
b)	Total outstanding dues of creditors other than MSME	192.50	1.83	0.25		194.58
c)	Disputed dues of creditors - MSME					
d)	Disputed dues of creditors - Other than MSME					

Notes to Standalone Financial Statements for the Year Ended 31st March, 2023 (All amounts in ₹ Lakhs)

Note No.	PARTICULARS	As at 31.03.2023	As at 31.03.2022
19	Other Financial Liabilities - Current:		
a.	Interest Accrued but not due	0.33	0.35
b.	Interest accrued on Preference Shares	30.80	30.80
c.	Dues to Others	813.91	1,212.67
d.	Unpaid Dividends	5.42	5.66
e.	Employee benefits payable	302.03	283.48
f.	Creditors for Capital purchases	57.56	40.65
	Total (a+b+c+d+e+f)	1,210.05	1,573.61
20	Other Current Liabilities:		
a.	Advance from Customers	0.07	23.61
b.	Contribution to PF & ESI	21.05	18.03
c.	Statutory remittances	37.02	34.72
	Total	58.14	76.36
21	Provisions - Current:		
	Provision for employee benefits		
(i).	Provision for Gratuity	137.13	90.87
(ii).	Leave Encashment	54.58	46.97
	Total	191.71	137.84
22	Current Tax Liabilities (net):		
	Provision for Income Tax (net of Advance Tax)	0.99	259.80
	Total	0.99	259.80

Note No.	PARTICULARS	Current Year 31.03.2023	Previous Year 31.03.2022
23	Revenue from Operations:		
i)	Sale of Products - Yarn	52,933.58	52,515.35
ii)	Other operating Revenue		
a.	Sale of Waste / Scrap	37.02	37.14
b.	Export Benefit entitlements	107.58	205.46
	Total Sales :	53,078.18	52,757.95
	Less : GST	5,151.94	4,723.48
	Total	47,926.24	48,034.47
24	Other Income:		
a.	Interest Income on		
i.	Deposits with banks and TSSPDCL	236.69	63.93
b.	Fair value Gain/(Loss) on Investments	0.10	0.01
c.	Profit on sale of Assets (Net)	-	3.50
d.	Net Gain on foreign currency transactions & translation	109.99	64.76
e.	Miscellaneous Income	0.03	0.01
f.	Government grant on Sales tax deferment loan	36.79	36.79
	Total	383.60	169.00

Notes to Standalone Financial Statements for the Year Ended 31st March, 2023 (All amounts in ₹ Lakhs)

Note No.	PARTICULARS	Current Year 31.03.2023	Previous Year 31.03.2022
25	Cost of Materials Consumed		
	Opening Stock	2,352.32	1,364.95
	Add: Purchases	28,529.43	28,225.03
		30,881.75	29,589.98
	Less : Value of Raw materials sold	-	0.54
	Less: Closing Stock	908.32	2,352.32
	Total	29,973.43	27,237.12
26	Changes in inventories of Finished Goods, and work-in-process		
a.	Inventory at the beginning of the period	1,089.16	2,827.28
b.	Inventory at the end of the period	1,008.30	1,089.16
	Total	80.86	1,738.12
27	Employee Benefits Expense		
a.	Salaries, Wages and Bonus	2,934.52	2,697.76
b.	Contribution to Provident Fund	180.61	173.91
c.	Staff welfare expenses	107.36	109.80
d.	Gratuity	115.46	99.56
e.	Contribution to Employee State Insurance and EDLI	63.60	59.09
	Total	3,401.55	3,140.12
28	Finance Costs		
a.	Interest on Term loans	347.90	471.01
b.	Interest on others	63.66	253.39
c.	Interest on Preference Shares	30.80	30.80
d.	Interest on Sales tax diferment loan	58.22	58.22
e.	Bank charges	26.92	64.87
	Total	527.50	878.29
29	Depreciation and amortisation expense:		
a.	Depreciation on Property ,Plant and Equipment	1,206.85	1,141.66
b.	Amortisation of Intangible Assets	0.13	1.13
	Total	1,206.98	1,142.79
30	Other expenses:		
a.	Stores consumed:		
	Stores and Spares	706.91	578.12
	Packing Material	513.44	578.15
b.	Power and Fuel		
	Electricity charges	4,776.40	3,978.59
	Power Line chartes	60.56	-
c.	Repairs to :		
	Buildings	41.49	28.14
	Machinery	657.43	606.51
	Others	4.07	4.26

Notes to Standalone Financial Statements for the Year Ended 31st March, 2023

(All amounts in ₹ Lakhs)

Note No.	PARTICULARS	Current Year 31.03.2023	Previous Year 31.03.2022
d.	Sales Expenses :		
	GST on others	0.61	0.28
	Commission on Sales	42.37	59.82
	Freight & Others - Domestic Sales	769.14	684.07
	Freight & Others - Export Sales	368.74	621.13
e.	Payments to Auditors		
	As Auditors	2.50	2.50
	for Tax Audit	0.50	0.50
	for Certification	1.58	0.43
	for Cost Auditors	0.39	0.39
f.	Rates and Taxes	29.78	35.69
g.	Printing and Stationery	8.34	7.75
h.	Postage, Telegrams and Telephones	11.95	11.58
i.	Travelling, Conveyance and Vehicle expenses	166.03	93.59
j.	Insurance	62.41	53.28
k.	Managerial Remuneration	151.04	318.66
l.	Directors sitting fees	2.04	1.77
m.	Professional charges	16.94	17.57
n.	Office Maintenance	194.79	193.82
o.	Miscellaneous expenses	50.87	49.17
p.	Loss on sale of assets (Net)	4.65	-
q.	Corporate Social Responsibility	141.95	80.55
r.	Donations	3.77	2.75
	Total	8,790.69	8,009.07
31	Other comprehensive income:		
a.	Actuarial Gain/(Losses) on Gratuity Expense for the period	33.36	-69.12
b.	Deferred Taxes on above	-8.40	17.40
	Total	24.96	-51.72
32	Earnings Per Equity Share:		
a.	Total Income for the period	3,103.23	4,775.24
b.	Weighted average number of equity shares of Rs. 10/-each	42.67	42.67
	Earnings per equity share in Rs (Basic and Diluted) - (a) / (b)	72.73	111.91

Notes to Standalone Financial Statements for the Year Ended 31st March, 2023 (All amounts in ₹ Lakhs)

Note No 33
Reconciliation of tax expenses

Income tax	(All the amounts in Rs. Lakhs)	
	Particulars	As at
		March 31, 2023
Amount recognised in statement of profit & loss account		
Current tax	1,010.00	1,536.06
Deferred tax	215.59	(253.34)
Taxes expenses for the year	1,225.59	1,282.72
Reconciliation of effective tax rate		
Profit before Income tax expense	4,328.82	6,057.96
Tax at the Indian tax rate of 25.168%	1,089.48	1,524.67
Effect on non-deductible expense	76.25	36.58
Tax impact due to revaluation of deferred tax due to change in income tax rate	156.04	(360.72)
Taxes related to previous years	0.00	11.28
other adjustments	2.03	70.91
	1323.80	1,282.72
Effective tax rate	30.58%	21.17%

Deferred tax liabilities (net)

Particulars	(All the amounts in Rs. Lakhs)	
	As at	
	March 31, 2023	March 31, 2022
Property, Plant and Equipment	2,581.98	2,366.39
Other items including employee benefits, Fair value	29.27	20.87
Total	2,611.25	2,387.26

Movement in deferred tax liabilities

Particulars	Property, Plant and Equipment	Other Items	Total
As at March 31, 2022	2,366.39	20.87	2,387.26
Charged / (Credited)			-
to Profit or loss (including OCI)	215.59	8.40	223.99
As at March 31, 2023	2,581.98	29.27	2,611.25

Notes to Standalone Financial Statements for the Year Ended 31st March, 2023 (All amounts in ₹ Lakhs)
Note No 34
Fair Value Measurement Hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into level 1 to level 3 as described below.

Level 1 – Quoted prices in an active market:

Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds, ETFs and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2 – Valuation techniques with observable inputs:

The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3 – Valuation techniques with significant unobservable inputs:

This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

The following table provide the fair value measurement hierarchy of the company's assets and liabilities.

Quantitative disclosures of fair value measurement hierarchy as at March 31, 2023

(All the amounts in Rs. Lakhs)

Particulars	Fair value hierarchy (Level)	As at	
		March 31 2023	March 31 2022
Financial Assets measured at FVTPL			
Investments	1	98.07	0.17
Financial Assets measured at amortised Cost			
Loans to employees	3	0.56	0.60
Financial Liabilities measured at Amortised cost			
Deferred Sales tax liability	3	347.70	400.26
Government grant		183.95	220.74
Term loans	2	3248.25	4539.76
Loans from related Parties	3	5.11	5.11

Notes to Standalone Financial Statements for the Year Ended 31st March, 2023 (All amounts in ₹ Lakhs) Note No 35

Financial Risk Management

The Company's activities expose it to market risk, credit risk and liquidity risk. Company's overall risk management focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance.

I. Market Risk

Market risk is the risk of loss of the future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, commodity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and borrowings

- a. Foreign Currency Risk** - Foreign Currency Risk is the risk of impact related to fair value or future cash flows of an exposure in foreign currency, which fluctuate due to change in foreign currency rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to impact of raw materials and spare parts, capital expenditure, borrowings and exports of yarns. The company does not enter into any derivative instruments for trading or speculative purposes.

The carrying amounts of the company's foreign currency denominated monetary items are as follows.

(All the amounts in Rs. Lakhs)

Year	Receivables	
	INR	USD
As at 31st March, 2022	1267.8	16.86
As at 31st March, 2023	0.00	0

Sensitivity Analysis

Sensitivity analysis of 5% Change rate at the ending of the reporting period net of hedges- Nil

- b. Interest Rate Risk** – Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market rates relates primarily to the Company's short term borrowing. The Company constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost. Since all the borrowings are on floating rate, no significance risk of change in interest rate.
- c. Commodity Risk**– Commodity price risk arises due to fluctuation in raw material (fiber prices) linked to various external factors, which can affect the production cost of the Company. The Company actively manages inventory and in many cases sale prices are linked to major raw material prices. These risks are reviewed and managed by senior management on continuous basis.

II. Credit Risk

Credit risk arises when a customer or counterparty does not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing/investing activities, including deposits with banks. The company has a prudent and conservative process for managing its credit risk arising in the course of its business activities. The Company is receiving payments regularly from its customers and hence the Company has no significant credit risk.

III. Liquidity Risk

Liquidity risk is defined as the risk that the company will not be able to settle or meet obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Company's treasury team is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts based on expected cash flows.

Notes to Standalone Financial Statements for the Year Ended 31st March, 2023 (All amounts in ₹ Lakhs)

Note No 36
Forex Transactions
(All the amounts in Rs. Lakhs)

PARTICULARS	Year ended 31.03.2023	Year ended 31.03.2022
a. Revenue of Foreign Exchange On account of		
i). Export Sales	USD \$ 62,64,857	\$ 1,08,07,295
	INR (Lakhs) 4906.11	8493.94
ii). Technical Knowhow	0.00	0.00
iii). Others	0.00	0.00
	4906.11	8493.94
b. Expenditure in Foreign Currency during the year on account of		
i. Commission on Export Sales	9.68	38.07
ii. Foreign Travel (Excluding tickets purchased in India)	0.00	0.00
	9.68	38.07
c. Value of Imports calculated on CIF basis in respect of :		
i. Plant and Machinery - Imported (CIF Value)		0.00
ii. Raw materials (CIF Value)	0.00	0.00
iii. Stores and Spares (CIF Value)	117.60	146.36
	117.60	146.36

Capital Management

The Company's objectives when managing capital are to

- i) Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders.
- ii) Maintain an optimal capital structure to reduce the cost of capital Consistent with others in the industry, the company monitors capital on the basis of the following gearing ratio: Net debt (total borrowings net of cash and cash equivalents) divided by Total 'equity' (as shown in the balance sheet)

GEARING RATIO

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Debt	6,241.61	7,229.96
(b) Cash and Cash Equivalents	555.23	307.68
(c) Net Debt (a) - (b)	5,686.38	6,922.27
(d) Total Equity	22,636.59	19,546.34
Net Debt to equity ratio (c) / (d)	0.25	0.35

B. Dividends

Particulars	As at	
	March 31, 2023	March 31, 2022
For the year ended the directors have recommended the payment of a final dividend of Rs. 3/- per fully paid non-promoter equity share (31st March 2022- Rs.3/-). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting hence the same is not recognised.	37.94	37.94

Notes to Standalone Financial Statements for the Year Ended 31st March, 2023 (All amounts in ₹ Lakhs)
Note 38
Corporate Social Responsibility

As per section 135 of the companies Act 2013, a company, has to spend 2% of its average net profits of three immediate preceding financial year as detailed below.

(All the amounts in Rs. Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Amount required to be spent by the Company during the year	71.31	46.41
Amount of expenditure incurred on:		
(i). Construction/acquisition of any asset		
(ii) On purposes other than (i) above	141.95	80.55
Shortfall / (Excess) at the end of the year	-70.64	-34.14
Total of previous years shortfall	0.00	0.00
Reason for shortfall	NA	NA
Nature of CSR Activities	Imparting universal message of the vedas at their impressionable age and to provide health consciousness	
Details of related party transactions in relation to CSR expenditure as per relevant Accounting Standard :	NA	NA

The Company has spent the total amount of earmarked during the financial year.

Note 39
A. Contingent Liabilities

PARTICULARS	As on 31.03.2023	As on 31.03.2022
a. Contingent Liabilities not provided for on account of		
i. Contracts to be executed on capital projects.	4557.18	4264.00
ii. Bank Guarantee	235.47	Nil
iii. Bills discounted against LC's	Nil	Nil
v. GST Appeals on tax demands against inverse duty refunds	223.20	Nil

Note no 40
Employee benefits: Gratuity

Consequent to the adoption of Accounting Standard on Employees Benefits (Ind AS-19) issued by the Institute of Chartered Accountants of India, the following disclosures have been made as required by the Standard for Actuarial valuation of Gratuity.

The company has created a Trust namely SLSML Employees Gratuity Trust vide Trust deed dated 31st December, 2005 and obtained approvals from Income Tax Authorities vide letter No. CIT-III/10/GF/2005-06 dated 18.10.2006. SBI Life Insurance has been appointed for management of the Trust fund for the Benefit of the employees. The following tables summarize the components of net benefits.

Notes to Standalone Financial Statements for the Year Ended 31st March, 2023 (All amounts in ₹ Lakhs)

PARTICULARS	As on 31.03.2023	As on 31.03.2022
I Table showing changes in present value of obligations		
Present value of obligations as at beginning of year	869.87	687.06
Interest cost	62.62	46.2
Current Service Cost	110.10	103.60
Benefits Paid	(35.86)	(38.85)
Actuarial gain / (Loss) on obligations	(33.35)	71.86
Present value of obligations as at end of year	973.38	869.87
II Table showing changes in the fair value of plan assets		
Fair value of plan assets at beginning of year	778.99	726.01
Expected return on plan assets	57.26	50.24
Contributions	35.86	38.85
Benefits Paid	-35.86	-38.85
Actuarial gain / (Loss) on Plan assets	0.00	2.74
Fair value of plan assets at the end of year	836.25	778.99
III. Table showing fair value of plan assets		
Fair value of plan assets at beginning of year	778.99	726.02
Actual return on plan assets	57.26	50.24
Contributions	35.86	38.85
Benefits Paid	-35.86	-38.85
Actuarial gain / (Loss) on Plan assets	0	2.74
Fair value of plan assets at the end of year	836.25	778.99
Funded status including OCI	(137.13)	(90.88)
Excess of Actual over estimated return on plan assets	Nil	Nil
(Actual rate of return = Estimated rate of return as ARD falls on 31st March)		
IV. Assumptions		
Discount rate	7.50%	7.35%
Rate of return on assets		
Salary Escalation	8.00%	8.00%

Note No 41
DUES TO MICRO AND SMALL ENTERPRISES

The Micro, Small and Medium Enterprises have been identified on the basis of the information available with the Company. This has been relied upon by the auditors. Dues to such parties are given below:

PARTICULARS	As at 31.03.2023	As at 31.03.2022
a) The principal amount remaining unpaid as at the end of the year	32.47	79.11
(b) The amount of interest accrued and remaining unpaid at the end of the year		-
(c) Amount of interest paid by the Company in terms of Section 16, of (MSMED Act, 2006) along with the amounts of payments made beyond the appointed date during the year.		-
(d) Amount of interest due and payable for the period of delay in making payment without the interest specified under the (MSMED Act, 2006).		-
(e) The amount of further interest remaining due and payable in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the (MSMED Act, 2006).		-

Notes to Standalone Financial Statements for the Year Ended 31st March, 2023

(All amounts in ₹ Lakhs)

Note No 42

Related party disclosures as required by the IND AS 24 are given under.
i) Transactions during the year

(All the amounts in Rs. Lakhs)

Sl no	Name	Relationship	Nature of Transaction	Current Year 2022-23	Current Year 2021-22
a)	Sri Vithaldas Agarwal Managing Director	Key Management	Remuneration	48.00	39.00
			Interest (Gross)	22.03	22.32
			Unsecured loan Repaid	0.27	40.00
			Unsecured loan Received	0.88	9.00
b)	Sri Mahender Kumar Agarwal Joint Managing Director	Key Management	Remuneration	56.65	46.70
			Interest (Gross)	2.16	1.69
			Unsecured loan Repaid	0	36.00
			Unsecured loan Received	0.65	13.00
c)	Smt Madhavi Agarwal Executive Director	Key Management	Remuneration	46.39	38.12
			Interest (Gross)	0.99	0.90
			Unsecured loan Repaid	0	23.00
			Unsecured loan Received	0.30	13.00
e)	Suryamba Spinning Mills Ltd	MD son is Director	Sale of Yarn	41.00	0.00
f)	Surana Solar	Common Director	Solar Power purchased	67.37	69.12
g)	sri K Nageswara Rao	Chief Financial Officer	Remuneration	31.10	30.02
h)	Sri R Surendar reddy	Chairman	sitting fee	0.69	0.60
i)	Sri Lakshmikanth Reddy	Director	Sitting fee (Resigned on 24.08.2021)	0	0.24
j)	sri K Suresh Reddy	Director	Sitting fee	0.69	0.60
k)	Sri Harish Chandra Prasad	Director	Sitting fee (Appointed on 27.08.2021)	0.66	0.33
l)	S Naga Latha	Company secretary	remuneration (left on 05.02.2022)	0	1.59
m)	Kushboo Jain	Company secretary	remuneration (joined on 11.02.2022)	3.00	0.41

Notes to Standalone Financial Statements for the Year Ended 31st March, 2023 (All amounts in ₹ Lakhs)

Payables as at 31.03.2022

Sl no	Name	Relationship	Nature of Transaction	As at 31.03.2023	As at 31.03.2022
a)	Sri Vithaldas Agarwal Managing Director	Key Management	Remuneration (net)	9.90	9.78
			Interest (net)	8.37	4.83
			Unsecured loan	350.00	289.00
b)	Sri Mahender Kumar Agarwal Joint Managing Director	Key Management	Remuneration (net)	9.39	2.16
			Interest (net)	0.91	0.25
			Unsecured loan	65.00	0.00
c)	Smt Madhavi Agarwal Executive Director	Key Management	Remuneration (net)	11.22	1.85
			Interest (net)	0.90	0.20
			Unsecured loan	30.00	0.00
d)	Surana Solar	Common Director	Solar Power purchased	7.18	6.72

Note 43 : Key Financial Ratios

Ratio	Numerator	Denominator	31st March,2023	31st March,2022	% of Change	Reason for variance
Current Ratio	Current assets	Current liabilities	1.233	1.869	-34%	Refer Note(a)
Debt Equity Ratio	Debt	Shareholders Equity	0.251	0.354	-29%	Refer Note(b)
Return on Equity	Profit after tax	Average Shareholder's Equity	0.15	0.27	-46%	Refer Note(c)
Inventory Turnover Ratio (times)	Gross Revenue	Average inventories	15.61	11.61	34%	Refer Note(d)
Trade Receivables Turnover Ratio	Gross Revenue	Average trade receivables	18.88	20.81	-9%	Refer Note(e)
Trade Payables Turnover Ratio	Net Purchases	Average trade payales	123.14	113.78	8%	Refer Note(f)
Net Capital Turnover Ratio (in times)	Gross Revenue	Working Capital	38.460	10.700	259%	Refer Note(g)
Net Profit Ratio	Profit after tax	Revenue from operations	0.065	0.098	-34%	Refer Note(g)
Return on Capital Employed	Profit before tax	Average Capital Employed	0.156	0.242	-36%	Refer Note(g)

Notes:

- Due to utilisation of working capital facilities.
- Due to reayment of borrowings.
- Due to operational profits.
- Minimum stocks maintained due to price volatile.
- due to speedy collections and drop in Exports.
- due to investment made in subsidiary
- due to global turbulence and cost inflation

Notes to Standalone Financial Statements for the Year Ended 31st March, 2023 (All amounts in ₹ Lakhs)

Note No 44 : Additional Information:

- i) The Company do not have any Benami property and neither any proceedings have been initiated or is pending against the Company for holding any Benami property.
- ii) The Company do not have any transactions with companies struck off.
- iii) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- iv) The Company has not been declared a wilful defaulter by any bank or financial institution or any other lender during the current period.
- v) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the intermediary shall:
 - a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - b. provide any gurantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- vi) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recored in writing or otherwise) that the Company shall:
 - a. directly or indirectly lend or invest in other person or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries), or
 - b. Provide any guarentee, security or the like on behalf of the Ultimate Beneficiaries.
- (vii) The loan has been utilized for the purpose for which it was obtained and no short term funds have been used for long term purpose.
- (viii) The Company is in compliance with the number of layers prescribed under clause (87) of section 2 of the Companies Act read with the Companies (Restriction on number of Layers) Rules, 2017.
- (ix) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year
- (x) The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

Note No 45

Previous Year's Figures have been regrouped wherever necessary to correspond with the current year's figures. Except when otherwise stated, the figures are presented in Rupees in Lakhs.

As Per Our Report of even date
for **K S RAO & CO.,**
Chartered Accountants
Firm Regn. No. : 003109S

for and on behalf of the Board

(M.Naga Prasadu)
Partner
Membership No. 231388

Kushuboo Jain
Company Secretary

VITHALDAS AGARWAL
Managing Director

Place : Secunderabad
Date : 29th May, 2023

K.NAGESWARA RAO
Chief Financial Officer

MAHENDER KUMAR AGARWAL
Joint Managing Director

**Consolidated
Financial
Statements**

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SURYALATA SPINNING MILLS LIMITED.

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of SURYALATA SPINNING MILLS LIMITED (hereinafter referred to as the "Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance sheet as at March 31, 2023, and the consolidated Statement of Profit and Loss (including other comprehensive income), consolidated Statement of changes in equity and consolidated statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2023, and its consolidated profit and other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of consolidated financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in "Other Matters" paragraph below is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matters

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

Key Audit Matters	Auditor's Response
Accounting of Business Combination for acquisition of Adan Holdings Limited.	Principal audit procedures
During the year, the Company has acquired 100% of equity shares of Suntree Solar Energy Pvt Ltd against consideration of Rs.97.80 Lakhs.	<ul style="list-style-type: none"> Obtained an understanding of management's process and evaluated the design and tested operating effectiveness of management's internal controls around application of the principles of Ind AS 103 "Business Combinations".
The allocation of the purchase price to identifiable assets and liabilities acquired was performed by the Company with support from external advisors and lead to the recognition of Goodwill of Rs. 95.54 Lakhs	<ul style="list-style-type: none"> We have read the relevant parts of the share purchase and governance agreement entered by the Company, obtained an understanding of the deal structure and evaluated the accounting treatment in accordance with Ind AS 103. This included the evaluation of the interpretation of specific sections of the agreements and the application of accounting policies to thereon.

Key Audit Matters	Auditor's Response
The acquisition accounting requires the management to identify and value acquired assets (including intangible assets) and liabilities at the acquisition date. Significant judgement is involved in such identification and complexity surrounding the accounting for transaction in accordance with Ind AS 103 this was a Key Audit Matter.	<ul style="list-style-type: none"> We have evaluated the professional qualifications and competence of the experts and valuers involved in the process.
The management has engaged external experts and valuers in this regard.	<ul style="list-style-type: none"> We assessed the adequacy of the disclosures made in note xx to the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon. Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the 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 and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group 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 Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements 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 ability of the Group 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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We believe that the audit evidence obtained by us along with the consideration of audit report of the other auditor referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors 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 consolidated 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.

Other Matters

- a. We did not audit the financial statements of Wholly Owned Subsidiary Company whose financial statement reflect total assets of Rs. 5549.83 Lakhs as at March 31, 2023, total revenue of Rs. 474.20 Lakhs, total net profit after tax of Rs. 262.53 Lakhs for the year ended on that date as considered for the consolidated financial statements.

These financial statements are unaudited and have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries covered under the Act, is based solely on the reports of the other auditors.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below is not modified in respect of the above matters with respect to our reliance on the work done by and reports of other auditors and the financial statements certified by the management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditor on separate financial statements and other financial information of the subsidiaries, associates and joint ventures, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to the preparation of the aforesaid consolidated financial statement have been kept so far as it appears from our examination of those books and reports of other auditors.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Cash Flow Statement and Consolidated Statement of changes in equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act.
 - (e) On the basis of written representations received from the directors of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Holding Company, none of the directors of the Group Companies incorporated in India are disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Companies Act;
 - (f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiaries, incorporated in India, and the operating effectiveness of such controls, refer to our separate report in "Annexure A".
 - (g) With respect to the Managerial remuneration to be included in the auditor's report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the company to its directors during the year is in accordance with the provisions of Section 197 of 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, in our opinion and to the best of our information and according to the explanations given to us and based on the report of the other auditors on the separate financial statements and other financial information of the subsidiaries:
 - i. The Consolidated financial statements does not have any pending litigations that would impact its financial position of the group.
 - ii. The Consolidated financial statements did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. The Consolidated financial statements does not have any pending amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv.
 - a. The respective Managements of the Holding Company which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - b. The respective Managements of the Holding Company which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Holding Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company

shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.;

- c. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Holding Company which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
 - v. a. The final dividend paid by the Holding Company, during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.
 - b. As stated in note XX to the consolidated financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of the members ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.
2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor’s Report) Order, 2020 (the “Order”/ “CARO”) issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor’s report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Holding Company and its subsidiaries included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

for K.S.RAO & CO.
Chartered Accountants
Firm’s Regn No. 003109S

(M.NAGA PRASADU)

Partner

Membership No. 231388

UDIN:23231388BGYLDK5411

Place : Hyderabad
Date : 29.05.2023

Annexure – A to the Auditor’s Report

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

In conjunction with our audit of the consolidated financial statements of the SURYALATA SPINNING MILLS LIMITED (“ the Holding Company) and its subsidiaries (the Holding Company and its subsidiaries together referred to as the Group) as at for the year ended March 31, 2023, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiaries which are incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of Group which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding 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 Act.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Holding Company’s internal financial controls with reference to consolidated financial statements 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, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. 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 with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material aspects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by other auditors of the subsidiaries which are incorporated in India, in terms of their reports referred in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial Controls with Reference to Consolidated Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, 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 with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us, the Group which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2023 based on the internal control over financial reporting criteria established by the Holding 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 ICAI.

for K.S.RAO & CO.
Chartered Accountants
Firm's Regn No. 003109S

(M.NAGA PRASADU)

Partner

Membership No. 231388

UDIN:23231388BGYLDK5411

Place : Hyderabad
Date : 29.05.2023

CONSOLIDATED BALANCE SHEET AS AT 31st March, 2023

(All amounts in ₹ Lakhs)

Particulars	Note No.	As at 31.03.2023
I. ASSETS		
1. Non-Current assets		
(a) Property, Plant and Equipment	2.1	23,897.16
(b) Capital work-in-progress	2.2	1,020.38
(c) Intangible Assets	2.3	0.00
(d) Good Will		95.54
(e) Financial Assets		
(i) Loans	3	0.56
(ii) Other financial assets	4	1,381.73
(f) Other non-current assets	5	981.49
Total Non-current assets		27,376.86
2. Current assets		
(a) Inventories	6	2,364.90
(b) Financial Assets		
(i) Investments	7	0.27
(ii) Trade receivables	8	2,635.14
(iii) Cash and cash equivalents	9	555.23
(iv) Other Bank Balances	10	618.46
(v) Other financial assets	11	538.82
(c) Other current assets	12	720.19
Total Current assets		7,433.01
Total Assets		34,809.87
II. EQUITY AND LIABILITIES		
1. Equity		
(a) Equity Share capital	13	426.70
(b) Other Equity	14	22,482.58
Total Equity		22,909.28
2. Non- Current liabilities		
(a) Financial Liabilities		
Borrowings	15	3,157.86
(b) Deferred tax liabilities (Net)		2,611.25
(c) Other non-current liabilities	16	183.95
Total Non- current liabilities		5,953.06
3. Current liabilities		
(a) Financial Liabilities		
(i) Borrowings	17	3,736.02
(ii) Trade payables	18	
Micro and small enterprises		33.46
Other than micro and small enterprises		180.53
(iii) Other financial liabilities	19	1,681.42
(b) Other current liabilities	20	64.56
(c) Provisions	21	191.71
(d) Current tax liabilities (net)	22	59.82
Total Current liabilities		5,947.53
Total liabilities		11,900.60
Total Equity and Liabilities		34,809.87
Significant Accounting policies and Key accounting adjustments & Judgments	1-46	

As Per Our Report of even date
for **K S RAO & CO.,**
Chartered Accountants
Firm Regn. No. : 003109S

for and on behalf of the Board

(M.Naga Prasadu)
Partner
Membership No. 231388

Kushuboo Jain
Company Secretary

VITHALDAS AGARWAL
Managing Director

Place : Secunderabad
Date : 29th May, 2023

K.NAGESWARA RAO
Chief Financial Officer

MAHENDER KUMAR AGARWAL
Joint Managing Director

Consolidated Statement of Profit and Loss for the Year ended 31st March, 2023

(All amounts in ₹ Lakhs)

Particulars	Note No.	Current Year 31.03.2023
I. Revenue from operations	23	48,400.45
II. Other Income	24	331.33
III. Total Income (I + II)		48,731.78
IV. EXPENSES		
Cost of Raw material Consumed	25	29,973.43
Changes in inventories of finished goods, and work in Process	26	80.86
Employee benefits expense	27	3,401.55
Finance costs	28	545.03
Depreciation and amortization expense	29	1,238.04
Other expenses	30	8,827.05
Total expenses (IV)		44,065.96
V. Profit before exceptional items and tax (III - IV)		4,665.82
VI. Tax expense:		
a. Current Tax		1,074.31
b. Deferred Tax		215.59
Total Tax Expenses (VI)		1,289.90
VII. Profit for the period (V - VI)		3,375.92
VIII. Other Comprehensive income	31	
i. Items that will not be reclassified subsequently to profit or loss		33.36
ii. Income tax relating to items that will not be reclassified to profit or loss		-8.40
Total Other Comprehensive Income for the period (VIII)		24.96
IX. Total Income for The Period (VII + VIII)		3,400.88
X. Earnings per equity share (Face value of Rs 10/- each)	32	
Basic and Diluted		79.13
Significant Accounting policies and Key accounting adjustments & Judgments	1-46	

As Per Our Report of even date
for **K S RAO & CO.,**
Chartered Accountants
Firm Regn. No. : 003109S

for and on behalf of the Board

(M.Naga Prasadu)
Partner
Membership No. 231388

Kushuboo Jain
Company Secretary

VITHALDAS AGARWAL
Managing Director

Place : Secunderabad
Date : 29th May, 2023

K.NAGESWARA RAO
Chief Financial Officer

MAHENDER KUMAR AGARWAL
Joint Managing Director

I CONSOLIDATED STATEMENT OF CHANGES TO EQUITY

A. Equity Share Capital

Particulars	(Figures in Lakhs)
As at April 01, 2021	426.70
Changes in equity share capital	-
As at march 31, 2022	426.70
Changes in equity share capital	-
As at march 31, 2023	426.70

B. Other Equity

(All amounts in ₹ Lakhs)

Particulars	Security Premium	Capital Redemption Reserve	Preference capital redemption reserve	General reserve	Retained earnings	Equity components of compound financial Statements	Remeasurement of defined benefit plan	Total
Balance as 1 st April, 2021	1288.20	1207.36	385.00	10000.00	1445.13	29.27	66.46	14421.42
Profit for the Year					4775.24			4775.24
Other Comprehensive income for the year (Net)							(51.72)	(51.72)
Transfer to Capital reserve								
Transfer to general reserve				3000.00	(3000.00)			0.00
Equity Dividend Paid					(25.30)			(25.30)
Balance as at 31 st March, 2022	1288.20	1207.36	385.00	13000.00	3195.07	29.27	14.74	19119.64
Profit for the Year					3375.92			3375.92
Other Comprehensive income for the year (Net)							24.96	24.96
Transfer to general reserve				3000.00	(3000.00)			0.00
General reserve								
Equity Dividend Paid					(37.94)			(37.94)
Balance as at 31st March, 2023	1288.20	1207.36	385.00	16000.00	3533.05	29.27	39.70	22482.58

The description of nature and purpose of reserves within equity is as follows :

- (I) **Security Premium :** Premium received on issue of equity shares credited to security premium reserve, It can be utilized as per the provision of section 63 of the companies act.
- (II) **Capital Redemption Reserve :** Created on redemption of preference shares, It can be utilized as per section 63 of the companies act.
- (III) **Preference Capital Redemption Reserve :** Created against the profits for redemption of preference shares issued. It can be utilized for redemption of preference shares on due date.
- (IV) **General reserve :** Reserve is created from time to time by transfer of profits from retained earnings. It can be utilised as per provisions of the companies act.
- (V) **Retained earnings :** Retained earnings are accumulation of profits earned by the company. It can be utilised for distribution of dividends to equity share holders.
- (VI) **Re-measurement of defined benefit obligations :**

The reserve represents the remeasurement gains/(losses) arising from the actuarial valuation of the defined benefit obligations of the Company.

The re-measurement gains/(losses) are recognised in other comprehensive income and accumulated under this reserve within equity. The amounts recognised under this reserve are not reclassified to profit or loss.

As Per Our Report of even date
for **K S RAO & CO.,**
Chartered Accountants
Firm Regn. No. : 003109S

for and on behalf of the Board

(M.Naga Prasadu)
Partner
Membership No. 231388

Kushuboo Jain
Company Secretary

VITHALDAS AGARWAL
Managing Director

Place : Secunderabad
Date : 29th May, 2023

K.NAGESWARA RAO
Chief Financial Officer

MAHENDER KUMAR AGARWAL
Joint Managing Director

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023

(All amounts in Rs. Lakhs)

PARTICULARS	Year Ended 31.03.2023	
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax		4,665.82
Adjustment for:		
Depreciation	1,238.05	
Finance Charges	545.03	
Fair value (Profit)/Loss on Investments	(0.10)	
Other Comprehensive Income/(Loss)	33.36	
(Profit)/Loss on sale of Assets (net)	5.34	
Interest Income	(179.05)	1,642.63
Operating Profit before working capital Changes		6,308.45
Movement in Working Capital		
Decrease/(Increase) in Inventories	1,459.49	
Decrease/(Increase) in Receivables	321.59	
Decrease/(Increase) in Loans & Advances	1,136.61	
(Decrease)/Increase in Non Current Liabilities	518.14	
(Decrease)/Increase in Current Liabilities	(411.92)	3,023.91
Cash Generated from Operations		9,332.36
Taxes Paid		(1,273.81)
Net Cash flow from Operating Activities (A)		8,058.55
B CASHFLOW FROM INVESTING ACTIVITIES		
Proceeds from sale of Assets	0.70	
Interest Received	179.05	179.75
OUTFLOW:		
Decrease/(Increase) in Non-current financial assets		
Decrease/(Increase) in Financial assets	(650.63)	
Acquisition of fixed assets including Capital Work in Progress	(6,126.75)	
(Increase)/Decrease in Advance for Capital equipment	175.34	(6,602.04)
Net Cash flow from Investing activity(B)		(6,422.29)
C CASH FLOW FROM FINANCING ACTIVITIES		
Unsecured Loans received	183.00	
Hire Purchase Loans Received	35.00	
Deferred Payment Loan - Hero		
Increase/(decrease) in Bank Borrowings	740.36	958.36

PARTICULARS	Year Ended 31.03.2023	
	OUT FLOW	
Repayment of Term loans	(1,300.00)	
Dividends Paid	(68.74)	
Repayment of preference shares		
Repayment of Solar Project loan - Hero	(353.21)	
Repayment of Hire Purchase loans	(31.31)	
Repayment of sales tax loans	(110.78)	
Repayment of Unsecured loans	(27.00)	
Interest Paid	(456.03)	(2,347.07)
Net Cash flow from financing activities ('C)		(1,388.71)
Net increase/(decrease) in Cash/Cash Equivalents during the year (A+B+C)		247.55
Add: Cash/Cash equivalents at the beginning of the year		307.68
Cash/Cash equivalents at the end of the year		555.23

Notes :

- The above Cash Flow Statement has been prepared under the "Indirect Method" set out in Indian Accounting Standard (Ind-AS) - 7 on Statement of Cash flow.
- Previous year comparatives have been reclassified to confirm with current year's presentation, where ever applicable.
- Cash and Cash equivalents comprises of :

S.No	Particulars	As at 31.03.2023
A.	Cash on Hand	5.28
B.	Balances in bank a/c's	549.96
	a. Current Accounts	
	b. Ear marked balance with Banks - Unpaid dividends	
	Cash and Cash equivalents in Cash Flow Statement	555.23

As Per Our Report of even date
for **K S RAO & CO.**,
Chartered Accountants
Firm Regn. No. : 003109S

(M.Naga Prasadu)
Partner
Membership No. 231388

Place : Secunderabad
Date : 29th May, 2023

Kushuboo Jain
Company Secretary

K.NAGESWARA RAO
Chief Financial Officer

for and on behalf of the Board

VITHALDAS AGARWAL
Managing Director

MAHENDER KUMAR AGARWAL
Joint Managing Director

Notes to Consolidated Financial Statements for the Year Ended 31st March, 2023

Corporate Information

Suryalata Spinning Mills Limited (the “Parent Company”) is a public limited company incorporated on May 23rd, 1983 and as its Registered office at 105, S P Road, Surya Towers , 1st Floor, Secunderabad, Telangana State. The Company is engaged in producing the best quality of Synthetic Yarns like 100% Polyester (PSF) Yarns, 100% Viscose (VSF) Yarns, PSF & VSF Blended Yarns and Value Added Yarns like Slub Yarns, Two for One Twist Yarns (T F O) etc., suitable for suitings, shirtings and knitting. The Company has established in the domestic market as well as in the international market and sells its products through the multiple channels. The Company is listed on Bombay Stock Exchange.

The Company has acquired Suntime Solar Energy Private Limited as its 100% Subsidiary company during the year, which is having 10 MW AC Capacity Solar Power Plant installed in 64 acres of land in the State of Telangana, with Power Purchase Agreement for 20 years (remaining period of 12 years) with Telangana Government,

The Consolidated financial statements of the company for the year ended March 31st, 2023 were approved for issue by the Company’s Board of Directors on May 29th, 2023.

SIGNIFICANT ACCOUNTING POLICIES AND KEY ACCOUNTING ESTIMATES AND JUDGEMENTS.

I Significant Accounting Policies:

1. Statement of Compliance:

These Consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standard) Rules, 2015 notified under section 133 of the Companies Act 2013, amendments there to and other relevant provisions of the Act.

2. Basis of Preparation and Measurement:

The consolidated financial statements of the parent company and its subsidiary company have been prepared on a going concern basis using historical cost convention and on an accrual method of accounting, except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below. The accounting policies have been applied consistently over all the periods presented in these consolidated financial statements.

The Consolidated financial statements are presented in INR which is also the Company’s functional currency and all values are rounded to the nearest Lakhs (INR 00,000), except when otherwise indicated.

3. Classification of Assets and liabilities as Current and Non-current

The company has determined its operating cycle as 12 months for the purpose of classification of current and non-current assets and liabilities. This is based on the nature of product and the time between the acquisition of inventories for processing and their realization in cash and cash equivalents. All assets and liabilities have been classified as current or non-current as per the Company’s normal operating cycle and other criteria set out in the Schedule III(Division II) to the Companies Act, 2013.

Deferred tax assets and deferred tax liabilities are classified as non-current assets and non-current liabilities.

4. Use of estimates & judgments:

The estimates and judgments used in the preparation of the consolidated financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognized in the period in which the results are known / materialized.

5. Property, Plant and Equipment-Tangible Assets:

- i. Property, plant and equipment other than land are stated at cost less accumulated depreciation and impairment losses if any. Freehold land is carried at cost of acquisition. Cost comprises of purchase price and any attributable cost of bringing the assets to its working condition for its intended use.
- ii. Capital work-in-progress in respect of assets which are not ready for their intended use are carried at cost, comprising of direct costs, related incidental expenses and attributable interest.

- iii. Subsequent expenditure are capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company. Costs in nature of repairs and maintenance of equipment are recognized in the Statement of Profit and Loss as and when incurred.
- iv. Depreciation on Fixed Assets is provided on ascertain useful life of assets under Straight Line Method (SLM) prescribed in Schedule II of the Companies act-2013 except the assets costing `5000 or less on which depreciation is charged @100% in the year of acquisition.
- v. The Company follows the policy of charging depreciation on pro-rata basis on the assets acquired or disposed off during the year.

6. Intangible Assets

Intangible Assets are stated at cost less accumulated amortization. Cost includes any expenditure directly attributable on making the asset ready for its intended use.

Intangible assets are amortized over their useful life as estimated by the management which is about 6 years for ERP software.

7. Impairment of Assets other than good will

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. Recoverable value being higher of value in use and fair value less cost of disposal. Value in use is computed at net present value of cash flow expected over the balance useful life of the assets. An impairment loss is recognized as an expense in the Profit and Loss Account in the year in which an asset is identified as impaired.

8. Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At the date of commencement of lease, the Company recognises a Right-of-use asset ("ROU") and a corresponding liability for all lease arrangements in which it is a lessee, except for leases with the term of twelve months or less (short term leases) and low value leases. For short term and low value leases, the Company recognises the lease payment as an operating expense on straight line basis over the term of lease.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate explicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases.

9. Inventory:

Inventories are valued at the lower of cost and net realizable value. The cost is determined on Weighted Average basis. Cost of finished goods and work-in-process include all costs of purchases, conversion costs and other costs incurred in bringing the inventories to their present location and condition.

Raw materials, Stores, spares and packing materials are valued at cost on weighted average basis. Scrap is valued at net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of necessary to make sale.

10. Financial Instrument:

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

a. Financial Asset:

Initial recognition and measurement

All financial instruments are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset, purchase or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place are recognized on the trade date i.e. the date that the company commits to purchase or sell the asset.

Subsequent Measurement

For the purpose of subsequent measurement financial assets are classified as measured at:

- 1) Amortized Cost
- 2) Fair value through profit and loss (FVTPL)
- 3) Fair value through other comprehensive income (FVTOCI)

Financial Asset measured at amortized cost

Financial Assets held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and 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 are measured at amortized cost using effective interest rate (EIR) method. The EIR amortization is recognized as finance income in the statement of Profit & Loss.

The company while applying above criteria has classified all the financial assets (except investments in equity shares) at amortized cost.

Financial Assets Measured at fair value through other comprehensive income

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income(OCI). Interest income measured using the EIR method and impairment losses, if any are recognized in the Statement of Profit and Loss. On de-recognition, cumulative gain or loss previously recognized in OCI is reclassified from the equity to ' other income' in the Consolidated Statement of Profit and Loss.

Financial Assets at fair value through profit or loss (FVTPL)

Financial Assets are measured at fair value through Profit & Loss if it does not meet the criteria for classification as measured at amortized cost or at FVTOCI. All fair value changes are recognized in the statement of profit & loss.

De-recognition of Financial Assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset.

Impairment of Financial Assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the debt instruments, that are measured at amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance.

Expected credit loss 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.

The management uses a provision matrix to determine the impairment loss on the portfolio of trade and other receivables. Provision matrix is based on its historically observed expected credit loss rates over the expected life of the trade receivables and is adjusted for forward looking estimates.

Expected credit loss allowance or reversal recognized during the period is recognized as income or expense, as the case may be, in the statement of profit and loss. In case of balance sheet, it is shown as reduction from the specific financial asset.

b. Financial Liabilities.

Initial recognition and measurement

Financial liabilities are recognized initially at fair value plus any transaction cost that are attributable to the acquisition of the financial liability except financial liabilities at FVTPL that are measured at fair value.

Subsequent Measurement

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognized in the Statement of Profit and Loss.

Financial Liabilities at amortized cost

Amortized cost for financial liabilities represents amount at which financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount. All the financial liabilities of the company are subsequently measured at amortized cost using Effective Interest method.

De recognition of Financial Liabilities

A financial liability shall be derecognized when, and only when it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expires.

11. Government Grants:

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions. Grants related to revenue items are presented as part of profit or loss as a reduction from related expense. The benefit of a government loan at a below market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

12. Foreign Currency Transactions

The functional and presentation currency of the Company is Indian Rupee. Transactions in foreign currency are accounted for at the exchange rate prevailing on the transaction date. Gains/ losses arising on settlement as also on translation of monetary items are recognized in the Statement of profit and loss.

13. Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are recognized as an expense in the period in which they are incurred.

14. Goodwill

Goodwill arising on an acquisition of business is carried at cost as established at the date of acquisition of the business less accumulated impairment of losses, if any.

15. Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured a regardless of when the payment made. The specific recognition criteria described below must also be met before revenue is recognized.

a. Sale of Products

Revenue from the sale of goods is recognized when significant risks and rewards of ownership have been transferred to the customer, the company no longer retain continuing managerial involvement to the degree usually associated with ownership nor has effective control over the goods sold, which is mainly upon delivery, the amount of revenue can be measured reliably and recovery of the consideration that will be derived in the sale of goods.

The Company collects Goods & Service Tax (GST) on behalf of the government and therefore, these are not economic benefits flowing to the Company. Hence these are excluded from the revenue. Revenue from export sales is recognized on the date of bill of lading, based on the terms of export.

b. Recognition of Export benefits

Export benefits entitlements in respect of incentives schemes including Duty Drawback, RoDTEP(Export Incentive), Merchandise Export Incentive Scheme (MEIS) of the Government of India are recognized in the year in which Export Sales are accounted for.

c. Interest Income

Interest on deposits with government departments and financial institutions are recognized in statement of profit and loss when the right to receive/receivable during the period.

16. Taxes on Income

Tax expense comprises of current and deferred tax

a. Current tax

Current tax expense for the year is ascertained on the basis of assessable profits computed in accordance with the provisions of the Income Tax Act, 1961.

b. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

17. Dividend Distribution

Annual dividend distribution to the shareholders is recognized as a liability in the period in which the dividend is approved by the shareholders. Any interim dividend paid is recognized on approval by Board of Directors. Dividend payable and corresponding tax on dividend distribution is recognized directly in equity.

18. Employee Benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

a. Defined Contribution plans

Contribution towards Provident Fund for employees is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution schemes as the Company does not carry any further obligations, apart from the Contributions made on a monthly basis.

b. Defined benefit plans

Gratuity liability is defined benefit obligation and is provided on the basis of an actuarial valuation on projected unit credit method made at the end of each year. The Company funds the benefit through contributions to SBI Life.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses and the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income (OCI). Net interest expense (income) on the net defined liability/assets) is computed by applying the discount rate, used to measure the net defined liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in Statement of Profit and Loss.

19. Provisions

Provisions are recognised when, as a result of a past event, the Company has a legal or constructive obligation; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. The amount so recognised is a best estimate of the consideration required to settle the obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation.

In an event when the time value of money is material, the provision is carried at the present value of the cash flows estimated to settle the obligation.

20. Contingent Liabilities

Contingent Liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

21. Claims

Claims against the Company not acknowledged as debts are disclosed after a careful evaluation of the facts and legal aspects of the matter involved.

22. Offsetting

Financial Assets and Financial Liabilities are offset and the net amount presented in the Balance Sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

23. Earnings per share

The Company presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

24. Cash flow statement

Cash flows are reported using the indirect method. Where by profit for the period is adjusted for effects of transactions of a non-cash nature, any deferrals are accruals 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.

25. Segment Reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the company's Chief Operating Decision Maker ("CODM") to make decisions for which discrete financial information is available. Based on the management approach as defined in Ind AS 108, the CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business is segregated in the segments as below.

- (i) Textiles-Spinning
- (ii) Power-Solar Energy

Consolidated Segment wise Revenue, Results, Assets and Liabilities are furnished in Note No. 33

26. Events after Reporting date

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the consolidated financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

27. Critical Accounting Estimates and Judgments

The preparation of financial statements is in conformity with generally Accepted Accounting Principles require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the result of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Revisions in accounting estimates are recognized prospectively.

The areas involving critical estimates or judgments are –

- Estimates of Useful life of Property, plant and equipment and intangible Assets (refer note 1.5 & 1.6)
- Measurement of defined benefit obligation (refer note 1.17)
- Recognition of deferred taxes (refer note 1.15)
- Estimation of impairment (refer note 1.7 and 1.10)
- Estimation of provision and contingent liabilities (refer note 1.18 and 1.19)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2023
Note No. 2 .1(a) : Property, Plant and Equipment

(All amounts in ₹ Lakhs)

Sl. No.	Particulars	Gross Block		Gross carrying amount			Accumulated Depreciation			Net Carrying amount	
		As at 01.04.2022	As at 31.03.2023	Additions	Deductions	As at 31.03.2023	Upto 01.04.2022	For the Year	Deductions	Upto 31.03.2023	As at 31.03.2023
1	Land (Freehold)	198.15	198.15				-				198.15
2	Buildings										
-	- Factory Buildings	4,437.72	4,437.72				1,469.19	151.96	-	1,621.15	2,816.57
-	- Non Factory Buildings	2,151.15	2,151.15				312.03	40.25	-	352.28	1,798.87
3	Plant and Equipment										
-	- Plant & Machinery	20,529.39	20,645.76	132.45	16.08		8,123.86	771.65	8.63	8,886.88	11,758.89
-	- Workshop Equipment	52.04	52.04				26.42	2.14	-	28.56	23.48
-	- Testing Equipment	83.51	83.51				83.51	-	-	83.51	0.00
-	- Electrical Installations	1,312.10	1,312.10				984.96	66.60	-	1,051.56	260.54
-	- Weighing Machinery	13.02	13.55	0.53			13.02	0.03	-	13.05	0.50
-	- Water Works	48.71	48.71				36.70	4.64	-	41.34	7.37
4	Furniture & Fixtures	127.75	131.26	3.51			111.63	5.06	-	116.69	14.57
5	Office Equipment	91.69	95.09	3.39			83.21	3.53	-	86.74	8.35
6	Vehicles	245.14	278.90	43.81	10.05		149.53	25.25	10.05	164.72	114.18
7	Data Processing Equipment	66.94	66.94				58.06	4.66	-	62.72	4.22
8	Material Handling Equipment	742.15	826.88	84.73			305.51	48.52		354.04	472.84
9	Solar Power Plant	1,730.53	2,087.42	356.89			36.22	82.56		118.78	1,968.64
10	Suntree Solar Power - Land		2,534.52							-	2,534.52
11	Suntree Solar Power - Power generating		1,946.53	1,946.53				31.06		31.06	1,915.47
	Total	31,830.00	36,910.24	5,106.37	26.13	36,910.24	11,793.85	1,237.91	18.68	13,013.08	23,897.16

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2023

Note No. 2.2 : Capital work-in-progress (CWIP)

(All amounts in ₹ Lakhs)

2.2 (a) Ageing Schedule

Capital work-in-progress	Amount in CWIP for a period of				Total as at 31st March 2023
	Less than 1 Year	1-2 Years	2-3 years	More than 3 years	
Project in Progress	1,020.38	-	-	-	1,020.38
Project temporarily suspended	-	-	-	-	-

Note No. 2.3(a) : Intangible Assets

Sl. No.	Particulars	Gross Block		Gross carrying amount			Accumulated Depreciation			Net Carrying amount	
		As at 01.04.2022	14.19	Additions	Deductions	As at 31.03.2023	Upto 01.04.2022	For the Year	Deductions	Upto 31.03.2023	As at 31.03.2023
1	Computer Software	14.19	-	-	-	14.19	14.06	0.13	-	14.19	0.00
	Total	14.19	0.00	0.00	0.00	14.19	14.06	0.13	0.00	14.19	0.00

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS For The Year Ended 31st March, 2023 (All amounts in ₹ Lakhs)

Note No.	PARTICULARS	As at 31.03.2023
3	Financial Assets	
	Loans :	
	Staff loans	0.56
	Total	0.56
4	Other financial assets :	
	a. Security deposits recoverable (Telephone, TSSPDCL & Other Deposits)	1,033.75
	b. Term Deposits with balance maturity of more than 12 months	347.98
	Total	1,381.73
5	Other non-current assets(unsecured, considered good):	
	Advances for Capital Works	981.49
	Advance With Gratuity Fund	
	Total	981.49
6	Inventories:	
	(As certified by the management)	
	a. Raw Materials (Valued at lower of cost or net realisable value basis)	908.32
	b. Finished Goods (including consignment stocks) (Valued at lower of cost or net realisable value basis)	648.95
	c. Stores & Spares (Valued at cost on weighted average basis)	448.27
	d. Stocks-in-process (Valued at cost)	358.72
	e. Others - 'PV & PSF Waste (at realisable value)	0.64
	Total	2,364.90
7	Investments - Current:	
	a. Investment in Equity Instruments	
	Fair value through profit or loss -Quoted- Non Trade 800 Equity Shares in UCO Bank of Rs.10/-	0.20
	b. Unquoted 999 Equity Shares in YP Solar P Ltd of Rs.10/- each	0.07
	Total	0.27
8	Trade Receivables:	
	A. Secured Considered Good	
	B. Unsecured, Considered Good	
	i). related parties	
	ii). Others - suryalata	2,161.41
	ii). Others - suntree	473.73
	Trade Receivables which have significant increase in credit Risk	
	Trade Receivables - Credit impaired	
	Unsecured, Considered Good	
	Total	2,635.14

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS For The Year Ended 31st March, 2023 (All amounts in ₹ Lakhs)

8.a Trade Receivables ageing Schedule

S NO	Particulars	Outstanding for following periods from due date of payment				Total as at 31 march 2023
		Less than 6 Months	6 months – 1 year	2-3 years	More than 3 years	
		INR lacs	INR lacs	INR lacs	INR lacs	INR lacs
a)	Undisputed Trade Receivables – considered good	2,635.14				2,635.14
b)	Undisputed Trade Receivables – which have significant increase in credit risk					-
c)	Undisputed Trade receivable – credit impaired					-
d)	Disputed Trade receivables - considered good					-
e)	Disputed Trade receivables – which have significant increase in credit risk					-
f)	Disputed Trade receivables – credit impaired					-

Note No.	PARTICULARS	As at 31.03.2023
9	Cash and cash equivalents:	
	a. Cash on Hand	5.28
	b. Balances in bank a/c's Current Accounts	549.95
	Total	555.23
	* Cash and cash equivalents include cash on hand, cheques & drafts on hand, cash at bank and deposits with banks with original maturity of 3 months or less.	
10	Other Bank balances	
	Balances with banks	
	a. Term deposits with balance maturity less than 12 months	613.04
	b. Unclaimed dividend accounts	5.42
	Total	618.46
11	Other financial assets - Current:	
	a. Advances to Staff & Workers	15.65
	b. Interest receivable	55.82
	c. received from TSSPDCL on A/.c of suntree	467.35
	Total	538.82
12	Other Current Assets:	
	a. Advances for Suppliers & Expenses	187.94
	b. Prepaid Expenses	45.32
	c. Export Benefit entitlement Receivable	17.01
	d. GST benefit entitlement	333.01
	e. State Incentive Receivables	136.91
	Total	720.19

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS For The Year Ended 31st March, 2023 (All amounts in ₹ Lakhs)

Note No.	PARTICULARS	As at 31.03.2023
13	Equity Share Capital:	
	A. Authorised Share Capital:	
	(i) 90,00,000 Equity Shares of Rs. 10/- each	900.00
	(ii) 8,00,000 preference share of Rs 100/- each	800.00
	Total	1,700.00
	B. Issued Share Capital:	
	(i) 42,67,000 Equity shares of Rs 10/- each	426.70
	(ii) 1,50,000 7% Cumulative Redeemable Pref shares of Rs. 100 each	-
	(iii) 3,85,000 8% Cumulative Redeemable Pref shares of Rs. 100 each	385.00
	Total	811.70
	C. Subscribed and fully paid up capital:	
	(i) 42,67,000 Equity shares of Rs 10/- each	426.70
	Total	426.70

D. Reconciliation of the shares outstanding at the beginning and at the end of year:

Particulars	No. of Shares
(A)Equity Share Capital At the Beginning and at the end of the period	42,67,000
(B)Preference Share Capital (i) 8% Cumulative Redeemable Preference Shares At the Beginning and at the end of the period	3,85,000

Note No.	PARTICULARS	As at 31.03.2023
E.	Details of Shareholders holding more than 5% shares in the company:	
	(A) Equity Shares:	
	a. Vithaldas Agarwal - No of shares held	8,18,844
	- In % of total shares of the Company	19.19%
	b. Mahender Kumar Agarwal - No of shares held	12,47,133
	- In % of total shares of the Company	29.23%
	c. Madhavi Agarwal - No of shares held	7,45,291
	- In % of total shares of the Company	17.47%

F. Shares held by promoters of the Company

Promoter's Name	FY 2022-23		
	No of Shares held at the start of the year	No of Shares held at the end of the year	% change during the year
Vithaldas Agarwal	8,18,844	8,18,844	0.00%
Mahender Kumar Agarwal	12,47,133	12,47,133	0.00%
Madhavi Agarwal	7,45,291	7,45,291	0.00%
Investment in subsidiary (suntree)		8,14,999	99.99%

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS For The Year Ended 31st March, 2023 (All amounts in ₹ Lakhs)

G. Rights, preferences and restrictions attached to the ordinary Shares

The Company has only one class of equity shares having par value of Rs .10/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees, the dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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 proportion to the number of equity shares held by the shareholders.

Note No.	PARTICULARS	As at 31.03.2023
14	Other Equity	
a.	Securities Premium	1,288.20
b.	Capital Redemption Reserve	1,207.36
c.	Preference Capital Redemption Reserve	385.00
d.	General Reserve	16,000.00
e.	Retained Earnings	3,533.05
	At the beginning of the period	3,195.07
	(+) For the current year	3,375.92
	(-) Dividend on Equity Shares	37.94
	(-) Corporate Dividend Tax	-
	(-) Transfer to General Reserve	3,000.00
f.	Equity portion of Preference Shares	29.27
g.	Items of Other Comprehensive Income	
	Remeasurment of net defined benefit plans	39.70
	Total	22,482.58
15	Borrowings - Non Current:	
	Secured	
	A. Term loans-Banks :	
	i). IDBI Bank Limited	
	(ii) Term Loan	1,750.00
	less: Current maturities	700.00
	Sub total	1,050.00
	ii). Indusind Bank	
	Term Loan	1,498.25
	less: Current maturities	600.00
	Sub total	898.25
	Total	1,948.25

Details of security for Term loans

Loans referred in (a) and (b) are secured by pari passu first charge on all movable and immovable properties of the Company present and future. These loans are further secured by personal guarantees of two promoter Directors of the company and pledge of some shares of the promoters of the company.

S SURYALATA SPINNING MILLS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS For The Year Ended 31st March, 2023 (All amounts in ₹ Lakhs)

Terms of Repayment:

Particulars	Sanction Date	Rate of Interest	Quarterly Instalments
A) IDBI Bank Limited			
i) Term Loan	13.05.2016	9.60%	10
B) IndusInd Bank Term Loan	13.12.2016	9.10%	10

Note No.	PARTICULARS	As at 31.03.2023
B.	HERO Deffered Payment	
	HREPL - Solar Power Plant	886.70
	less: Current maturities- 29,40460*12	353.21
	Sub total	533.49
C.	Vehicle loans from banks	
	Sub total	33.14
	Note : Vehicle loans are secured by hypothecation of the respective vehicles and guaranteed by the Managing Director of the Company.	
	Unsecured	
D.	Preference shares	
	8% Cumulative Redeemable Preference shares of Rs.100 each	385.00
	Sub total	385.00
E.	Unsecured loans	
	- Loans from related parties	-
	Inter-Corporate Deposits	5.11
	Sub total	5.11
F.	Deferred payment liabilities	
	-Sales Tax Deferment (loan)	
	Sub total	252.87
	Grand total (A+B+C+D+E+F)	3,157.86
16	Other non-current liabilities	
	Deferred Government Grant	183.95
	Total	183.95
17	Borrowings :	
A.	Secured	
	Loans repayable on demand from banks *	
	(i) HDFC	
	Cash Credit	1,520.64
	(ii) Suntree solar	1.10
	Cash Credit	-
	Sub total	1,521.74

NOTE:

* Working Capital loans from bank referred to in (A) above are secured by hypothecation of stock in trade, raw materials, stock in process, stores and spares and receivables present and future and by a second charge on the present and future movable and immovable properties of the Company on pari passu basis. The loans further secured by personal guarantees of two promoter directors of the Company.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS For The Year Ended 31st March, 2023 (All amounts in ₹ Lakhs)

Note No.	PARTICULARS	As at 31.03.2023
B. Unsecured		
	Loans from Directors	445.00
	Sub total	445.00
C. Current maturity of long term debt		
i)	IDBI Bank Limited Term Loan - I	700.00
ii)	Deffered Payment HREPL - Solar Power Plant	353.21
iii)	Indusind Bank Term Loan	600.00
iv)	Vehicle Loans from Banks	21.23
v)	Sales tax deferment (loan)	94.84
	Sub total	1,769.28
	Total	3,736.02
18 Trade Payables :		
	Micro, Small and Medium Enterprises	33.46
	Other than Micro, Small and Medium Enterprises	180.53
	Total	213.99

18.a Trade Payable ageing schedule

S NO	Particulars	Outstanding for following periods from due date of payment			31-Mar-23
		Less than 1 Year	1-2 years	More than 3 years	
		INR lacs	INR lacs	INR lacs	INR lacs
a)	Total outstanding dues of MSME	33.46			33.46
b)	Total outstanding dues of creditors other than MSME	178.55	1.98		180.53
c)	Disputed dues of creditors - MSME				
d)	Disputed dues of creditors - Other than MSME				

Note No.	PARTICULARS	As at 31.03.2023
19 Other Financial Liabilities - Current:		
a.	Interest Accrued but not due	0.33
b.	Interest accrued on Preference Shares	30.80
c.	Dues to Others	1,285.28
d.	Unpaid Dividends	5.42
e.	Employee benefits payable	302.03
f.	Creditors for Capital purchases	57.56
	Total (a+b+c+d+e+f)	1,681.42

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS For The Year Ended 31st March, 2023 (All amounts in ₹ Lakhs)

Note No.	PARTICULARS	As at 31.03.2023
20 Other Current Liabilities:		
a.	Advance from Customers	0.07
b.	Contribution to PF & ESI	21.05
c.	Statutory remittances	43.44
	Total	64.56
21 Provisions - Current:		
	Provision for employee benefits	
(i).	Provision for Gratuity	137.13
(ii).	Leave Encashment	54.58
	Total	191.71
22 Current Tax Liabilities (net):		
	Provision for Income Tax (net of Advance Tax)	59.82
	Total	59.82

Note No.	PARTICULARS	Current Year 31.03.2023
23 Revenue from Operations:		
i)	Sale of Products - Yarn	52,933.58
	Sale of Solar power	474.21
ii)	Other operating Revenue	
a.	Sale of Waste / Scrap	37.02
b.	Export Benefit entitlements	107.58
	Total Sales :	53,552.39
	Less : GST	5,151.94
	Total	48,400.45
24 Other Income:		
a.	Interest Income on	
i.	Deposits with banks and TSSPDCL	179.05
b.	Fair value Gain/(Loss) on Investments	0.10
c.	Sundry Credit Balances written back	5.37
d.	Net Gain on foreign currency transactions & translation	109.99
e.	Miscellaneous Income	0.03
f.	Government grant on Sales tax deferment loan	36.79
	Total	331.34
25 Cost of Materials Consumed		
	Opening Stock	2,352.32
	Add: Purchases	28,529.43
		30,881.75
	Less : Value of Raw materials sold	-
	Less: Closing Stock	908.32
	Total	29,973.43

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS For The Year Ended 31st March, 2023 (All amounts in ₹ Lakhs)

Note No.	PARTICULARS	Current Year 31.03.2023
26	Changes in inventories of Finished Goods, and work-in-process	
	Inventory at the beginning of the	
a.	period	1,089.16
b.	Inventory at the end of the period	1,008.30
	Total	80.86
27	Employee Benefits Expense	
a.	Salaries, Wages and Bonus	2,934.52
b.	Contribution to Provident Fund	180.61
c.	Staff welfare expenses	107.36
d.	Gratuity	115.46
	Contribution to Employee State	
e.	Insurance and EDLI	63.60
	Total	3,401.55
28	Finance Costs	
a.	Interest on Term loans	347.90
b.	Interest on others	81.19
c.	Interest on Preference Shares	30.80
	Interest on Sales tax diferment	
d.	loan	58.22
e.	Bank charges	26.92
	Total	545.03
29	Depreciation and amortisation expense:	
	Depreciation on Property ,Plant	
a.	and Equipment	1,237.91
b.	Amortisation of Intangible Assets	0.13
	Total	1,238.04
30	Other expenses:	
a.	Stores consumed:	
	Stores and Spares	706.91
	Packing Material	513.44
b.	Power and Fuel	
	Electricity charges	4,776.40
	Power Line chartes	60.56
c.	Repairs to :	
	Buildings	41.49
	Machinery	680.50
	Others	4.07
d.	Sales Expenses :	
	GST on others	0.61
	Commission on Sales	42.37

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS For The Year Ended 31st March, 2023 (All amounts in ₹ Lakhs)

Note No.	PARTICULARS	Current Year 31.03.2023
	Freight & Others - Domestic Sales	769.14
	Freight & Others - Export Sales	368.74
e.	Payments to Auditors	
	As Auditors	4.55
	for Tax Audit	0.50
	for Certification	1.58
	for Cost Auditors	0.39
f.	Rates and Taxes	29.78
g.	Printing and Stationery	8.34
h.	Postage, Telegrams and Telephones	11.95
i.	Travelling, Conveyance and Vehicle expenses	166.03
j.	Insurance	62.41
k.	Managerial Remuneration	151.04
l.	Directors sitting fees	2.04
m.	Professional charges	27.38
n.	Office Maintenance	194.79
o.	Miscellaneous expenses	51.67
p.	Loss on sale of assets (Net)	4.65
q.	Corporate Social Responsibility	141.95
r.	Donations	3.77
	Total	8,827.05
31	Other comprehensive income:	
a.	Actuarial Gain/(Losses) on Gratuity Expense for the period	33.36
b.	Deferred Taxes on above	-8.40
	Total	24.96
32	Earnings Per Equity Share:	
a.	Total Income for the period	3,375.92
b.	Weighted average number of equity shares of Rs. 10/-each	42.67
	Earnings per equity share (Basic and Diluted) - (a) / (b)	79.13

S SURYALATA SPINNING MILLS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS For The Year Ended 31st March, 2023 (All amounts in ₹ Lakhs)

Note No 33

Consolidated segment wise Revenue, Results Assets and Liabilities

S.No	Particulars	Year ended 31st March 2023
1	Segment wise Revenue:	
	(a) Textile-sale of Yarn including Export Benefits	47926.24
	(b) Power-sale of Solar power	474.21
	Total revenue from Operations	48400.45
2	Segment Results	
	a. Textile-spinning	4856.32
	b. Power-Solar Energy	412.16
	Total Segment results	5268.48
	Less:	
	(i) Finance Cost - Textile-spinning	527.50
	(ii) Finance cost - Solar Energy	75.16
	Profit before tax	4665.82
3	Segment Assets	
	a. Textile-spinning	29418.80
	b. Power-Solar Energy	5391.07
	Total segment assets	34809.87
4	Segment Liabilities	
	a. Textile-spinning	11338.54
	b. Power-Solar Energy	562.06
	Total Segment Liabilities	11900.60

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS For The Year Ended 31st March, 2023 (All amounts in ₹ Lakhs)

Note No 34
Reconciliation of tax expenses
Income tax

Particulars		March 31, 2023
Amount recognised in statement of profit & loss account		
Current tax		1,074.31
Deferred tax		215.59
Taxes expenses for the year		1,289.90
Reconciliation of effective tax rate		
Profit before Income tax expense		4,665.82
Tax at the Indian tax rate of 25.168%		1,174.29
Effect on non-deductible expense		76.25
Tax impact due to revaluation of deferred tax due to change in income tax rate		156.04
other adjustments		2.03
		1,408.61
Effective tax rate		30.19 %
Deferred tax liabilities (net)		
Particulars		March 31, 2023
Property, Plant and Equipment		2,581.98
Other items including employee benefits, Fair value		29.27
Total		2,611.25

Movement in deferred tax liabilities

Particulars	Property, Plant and Equipment	Other Items	Total
As at March 31, 2022	2,366.39	20.87	2,387.26
Charged / (Credited)			-
to Profit or loss (including OCI)	215.59	8.40	223.99
As at March 31, 2023	2,581.98	29.27	2,611.25

Note No 35
Fair Value Measurement Hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into level 1 to level 3 as described below.

Level 1 – Quoted prices in an active market:

Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds, ETFs and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2 – Valuation techniques with observable inputs:

The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS For The Year Ended 31st March, 2023 (All amounts in ₹ Lakhs)

Level 3 – Valuation techniques with significant unobservable inputs:

This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

The following table provide the fair value measurement hierarchy of the company's assets and liabilities.

Quantitative disclosures of fair value measurement hierarchy as at March 31, 2022

(All the amounts in Rs. Lakhs)

Particulars	Fair value hierarchy (Level)	As at March 31 2023
Financial Assets measured at FVTPL		
Investments	1	0.27
Financial Assets measured at amortised Cost		
Loans to employees	3	0.56
Financial Liabilities measured at Amortised cost		
Deferred Sales tax liability	3	347.71
Government grant		183.95
Term loans	2	3248.25
Loans from related Parties	3	5.11

Note No 36
Financial Risk Management

The Company's activities expose it to market risk, credit risk and liquidity risk. Company's overall risk management focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance.

I. Market Risk

Market risk is the risk of loss of the future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, commodity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and borrowings

- a. Foreign Currency Risk** - Foreign Currency Risk is the risk of impact related to fair value or future cash flows of an exposure in foreign currency, which fluctuate due to change in foreign currency rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to impact of raw materials and spare parts, capital expenditure, borrowings and exports of yarns. The company does not enter into any derivative instruments for trading or speculative purposes.

The carrying amounts of the company's foreign currency denominated monetary items are as follows.

(All the amounts in Rs. Lakhs)

Year	Receivables	
	INR	USD
As at 31st March,2022	1267.8	16.86
As at 31st March,2023	0.00	0

Sensitivity Analysis

Sensitivity analysis of 5% Change rate at the ending of the reporting period net of hedges- Nil

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS For The Year Ended 31st March, 2023 (All amounts in ₹ Lakhs)

- b. Interest Rate Risk** – Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company’s exposure to the risk of changes in market rates relates primarily to the Company’s short term borrowing. The Company constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost. Since all the borrowings are on floating rate, no significance risk of change in interest rate.
- c. Commodity Risk**– Commodity price risk arises due to fluctuation in raw material (fiber prices) linked to various external factors, which can affect the production cost of the Company. The Company actively manages inventory and in many cases sale prices are linked to major raw material prices. These risks are reviewed and managed by senior management on continuous basis.

II. Credit Risk

Credit risk arises when a customer or counterparty does not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing/investing activities, including deposits with banks. The company has a prudent and conservative process for managing its credit risk arising in the course of its business activities. The Company is receiving payments regularly from its customers and hence the Company has no significant credit risk.

III. Liquidity Risk

Liquidity risk is defined as the risk that the company will not be able to settle or meet obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Company’s treasury team is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company’s liquidity position through rolling forecasts based on expected cash flows.

Note No 37

Forex Transactions

PARTICULARS			Year ended 31.03.2023
a.	Revenue of Foreign Exchange On account of		
	i). Export Sales	USD	\$ 62,64,857
	ii). Technical Knowhow	INR (Lakhs)	4906.11
	iii). Others		0.00
			0.00
			4906.11
b.	Expenditure in Foreign Currency during the year on account of		
	i. Commission on Export Sales		9.68
	ii. Foreign Travel (Excluding tickets purchased in India)		0.00
			9.68
c.	Value of Imports calculated on CIF basis in respect of :		
	i. Plant and Machinery - Imported (CIF Value)		
	ii. Raw materials (CIF Value)		0.00
	iii. Stores and Spares (CIF Value)		117.60
			117.60

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS For The Year Ended 31st March, 2023 (All amounts in ₹ Lakhs)

Note No 38
Capital Management
A. Capital Management and Gearing Ratio

The Company's objectives when managing capital are to

- i) Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders.
- ii) Maintain an optimal capital structure to reduce the cost of capital Consistent with others in the industry, the company monitors capital on the basis of the following gearing ratio: Net debt (total borrowings net of cash and cash equivalents) divided by Total 'equity' (as shown in the balance sheet)

GEARING RATIO

Particulars	As at March 31, 2023
(a) Debt	6,242.72
(b) Cash and Cash Equivalents	555.23
(c) Net Debt (a) - (b)	5,687.49
(d) Total Equity	22,909.28
Net Debt to equity ratio (c) / (d)*	0.25

B. Dividends

Particulars	As at March 31, 2023
For the year ended the directors have recommended the payment of a final dividend of Rs. 3/- per fully paid non-promoter equity share (31st March 2022- Rs.3/-). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting hence the same is not recognised.	37.94

Note 39
Corporate Social Responsibility

As per section 135 of the companies Act 2013, a company, has to spend 2% of its average net profits of three immediate preceding financial year as detailed below.

Particulars	Year ended March 31, 2023
Amount required to be spent by the Company during the year	71.31
Amount of expenditure incurred on:	
(i). Construction/acquisition of any asset	
(ii) On purposes other than (i) above	141.95
Shortfall / (Excess) at the end of the year	-70.64
Total of previous years shortfall	0.00
Reason for shortfall	NA
Nature of CSR Activities	Imparting universal message of the vedas at their impressionable age
Details of related party transactions in relation to CSR expenditure as per relevant Accounting Standard :	NA

The Company has spent the total amount of earmarked during the financial year.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS For The Year Ended 31st March, 2023 (All amounts in ₹ Lakhs)

Note 40
Contingent Liabilities

PARTICULARS		As on 31.03.2023
a.	Contingent Liabilities not provided for on account of	
i.	Contracts to be executed on capital projects.	4557.18
ii.	Bank Guarantee	235.47
iii.	Bills discounted against LC's	Nil
iv.	GST Appeals on tax demands against inverse duty refunds	223.20

Note no 41
Employee benefits: Gratuity

Consequent to the adoption of Accounting Standard on Employees Benefits (Ind AS-19) issued by the Institute of Chartered Accountants of India, the following disclosures have been made as required by the Standard for Actuarial valuation of Gratuity.

The company has created a Trust namely SLSML Employees Gratuity Trust vide Trust deed dated 31st December, 2005 and obtained approvals from Income Tax Authorities vide letter No. CIT-III/10/GF/2005-06 dated 18.10.2006. SBI Life Insurance has been appointed for management of the Trust fund for the Benefit of the employees. The following tables summarize the components of net benefits.

PARTICULARS		As on 31.03.2023
I	Table showing changes in present value of obligations	
	Present value of obligations as at beginning of year	869.87
	Interest cost	62.62
	Current Service Cost	110.10
	Benefits Paid	(35.86)
	Actuarial gain / (Loss) on obligations	(33.35)
	Present value of obligations as at end of year	973.38
II	Table showing changes in the fair value of plan assets	
	Fair value of plan assets at beginning of year	778.99
	Expected return on plan assets	57.26
	Contributions	35.86
	Benefits Paid	-35.86
	Actuarial gain / (Loss) on Plan assets	0.00
	Fair value of plan assets at the end of year	836.25
III.	Table showing fair value of plan assets	
	Fair value of plan assets at beginning of year	778.99
	Actual return on plan assets	57.26
	Contributions	35.86
	Benefits Paid	-35.86
	Actuarial gain / (Loss) on Plan assets	0
	Fair value of plan assets at the end of year	836.25
	Funded status including OCI	(137.13)
	Excess of Actual over estimated return on plan assets	Nil
	(Actual rate of return = Estimated rate of return as ARD falls on 31st March)	
IV.	Assumptions	
	Discount rate	7.50%
	Rate of return on assets	
	Salary Escalation	8.00%

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS For The Year Ended 31st March, 2023 (All amounts in ₹ Lakhs)

Note No 42
DUES TO MICRO AND SMALL ENTERPRISES

The Micro, Small and Medium Enterprises have been identified on the basis of the information available with the Company. This has been relied upon by the auditors. Dues to such parties are given below:

(All the amounts in Rs. Lakhs)

PARTICULARS	As at 31.03.2023	As at 31.03.2022
a) The principal amount remaining unpaid as at the end of the year	33.46	79.11
(b) The amount of interest accrued and remaining unpaid at the end of the year		-
(c) Amount of interest paid by the Company in terms of Section 16, of (MSMED Act, 2006) along with the amounts of payments made beyond the appointed date during the year.		-
(d) Amount of interest due and payable for the period of delay in making payment without the interest specified under the (MSMED Act, 2006).		-
(e) The amount of further interest remaining due and payable in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the (MSMED Act, 2006).		-

Note 43 : Key Financial Ratios

Ratio	Numerator	Denominator	31st March,2023	Reason for variance
Current Ratio	Current assets	Current liabilities	1.250	Refer Note(a)
Debt Equity Ratio	Debt	Shareholders Equity	0.248	Refer Note(b)
Return on Equity	Profit after tax	Average Shareholder's Equity	0.15	Refer Note(c)
Inventory Turnover Ratio (times)	Gross Revenue	Average inventories	20.61	Refer Note(d)
Trade Receivables Turnover Ratio	Gross Revenue	Average trade receivables	15.71	Refer Note(e)
Trade Payables Turnover Ratio	Net Purchases	Average trade payables	133.32	Refer Note(f)
Net Capital Turnover Ratio (in times)	Gross Revenue	Working Capital	32.805	Refer Note(g)
Net Profit Ratio	Profit after tax	Revenue from operations	0.070	Refer Note(g)
Return on Capital Employed	Profit before tax	Average Capital Employed	0.162	Refer Note(g)

Notes:

- Due to utilisation of working capital facilities.
- Due to repayment of borrowings.
- Due to operational profits.
- Minimum stocks maintained due to price volatile.
- due to speedy collections and drop in Exports.
- due to investment made in subsidiary
- due to global turbulence and cost inflation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS For The Year Ended 31st March, 2023 (All amounts in ₹ Lakhs)

Note No 44
Related party disclosures as required by the IND AS 24 are given under.
i) Transactions during the year

SI no	Name	Relationship	Nature of Transaction	Current Year 2022-23
a)	Sri Vithaldas Agarwal Managing Director	Key Management	Remuneration	48.00
			Interest (Gross)	22.03
			Unsecured loan Repaid	0.27
			Unsecured loan Received	0.88
b)	Sri Mahender Kumar Agarwal Joint Managing Director	Key Management	Remuneration	56.65
			Interest (Gross)	2.16
			Unsecured loan Repaid	0
			Unsecured loan Received	0.65
c)	Smt Madhavi Agarwal Executive Director	Key Management	Remuneration	46.39
			Interest (Gross)	0.99
			Unsecured loan Repaid	0
			Unsecured loan Received	0.30
e)	Suryamba Spinning Mills Ltd	MD son is Director	Sale of Yarn	41.00
f)	Surana Solar	Common Director	Solar Power purchased	67.37
g)	sri K Nageswara Rao	Chief Financial Officer	Remuneration	31.10
h)	Sri R Surendar reddy	Chairman	sitting fee	0.69
j)	sri K Suresh Reddy	Director	Sitting fee	0.69
k)	Sri Harish Chandra Prasad	Director	Sitting fee	0.66
m)	Kushboo Jain	Company secretary	remuneration	3.00

Note No 45 : Additional Information:

- i) The Company do not have any Benami property and neither any proceedings have been initiated or is pending against the Company for holding any Benami property.
- ii) The Company do not have any transactions with companies struck off.
- iii) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- iv) The Company has not been declared a wilful defaulter by any bank or financial institution or any other lender during the current period.
- v) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the intermediary shall:
 - a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - b. provide any gurantee, security or the like to or on behalf of the Ultimate Beneficiaries.

SURYALATA SPINNING MILLS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS For The Year Ended 31st March, 2023 (All amounts in ₹ Lakhs)

- vi) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recored in writing or otherwise) that the Company shall:
- directly or indirectly lend or invest in other person or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries), or
 - Provide any guarentee, security or the like on behalf of the Ultimate Beneficiaries.
- (vii) The loan has been utilized for the purpose for which it was obtained and no short term funds have been used for long term purpose.
- (viii) The Company is in compliance with the number of layers prescribed under clause (87) of section 2 of the Companies Act read with the Companies (Restriction on number of Layers) Rules, 2017.
- (ix) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year
- (x) The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

Note No 46

Previous Year's Figures have been regrouped wherever necessary to correspond with the current year's figures. Except when otherwise stated, the figures are presrnted in Rupees in Lakhs.

As Per Our Report of even date
for **K S RAO & CO.**,
Chartered Accountants
Firm Regn. No. : 003109S

for and on behalf of the Board

(M.Naga Prasadu)
Partner
Membership No. 231388

Kushuboo Jain
Company Secretary

VITHALDAS AGARWAL
Managing Director

Place : Secunderabad
Date : 29th May, 2023

K.NAGESWARA RAO
Chief Financial Officer

MAHENDER KUMAR AGARWAL
Joint Managing Director



SOLAR @ KALWAKURTHY UNIT



VORTEX @ URUKONDAPET UNIT



NEW PROJECT - VORTEX SPIN (MACHINERY UNDER ERECTION)

