

Annual Report 2014-15



SURYALATA SPINNING MILLS LIMITED



In Loving Memories



Pankhuri & Yash Agarwal

Your devoted exercise of strong leadership and hard work will continue to guide us, through the path you had chosen for the growth of SURYALATA.

Your intelligent spirit will enable us to take the heights you visualized.

Your divine vision will motivate us always through the journey of success.

Your mesmerizing memories will always be treasured.



Sl. No.	Contents	Page Nos.
1.	Board of Directors	1
2.	Notice	2
3.	Directors' Report	19
4.	Corporate Governance Report	41
5.	Certificate by the CEO & CFO	54
6.	Management Discussion and Analysis Report	55
7.	Auditors' Certificate on Corporate Governance	59
8.	Independent Auditors' Report	60
9.	Balance Sheet	64
10.	Statement of Profit and Loss	65
11.	Cash Flow Statement	66
12.	Notes forming part of the Financial Statements	68
13.	Attendance Slip and Proxy Form	87

CORPORATE INFORMATION

BOARD OF DIRECTORS

Sri R Surender Reddy
(DIN: 00083972)

Chairman

Sri Vithaldas Agarwal
(DIN: 00012774)

Managing Director

Sri Mahender Kumar Agarwal
(DIN: 00012807)

Joint Managing Director

Sri K Lakshmikanth Reddy
(DIN: 00016766)

Director

Sri R S Agarwal
(DIN: 00012594)

Director

Sri K R Suresh Reddy
(DIN: 00074879)

Director

Sri Yash Agarwal
(DIN: 03168109)

Executive Director (up to 4th October, 2014)

Smt. Madhavi Agarwal
(DIN: 06866592)

Executive Director (w.e.f. 6th November, 2014)

Sri K K Sinha
(DIN: 03383960)

Director (Operations)

Sri K Nageswara Rao

Chief Financial Officer

Smt. Prameela Rani M

Company Secretary

COMMITTEES OF THE BOARD

AUDIT COMMITTEE

Sri R Surender Reddy	Chairman
Sri R S Agarwal	Member
Sri K R Suresh Reddy	Member

STAKEHOLDERS RELATIONSHIP COMMITTEE

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

NOMINATION & REMUNERATION COMMITTEE

Sri K R Suresh Reddy	Chairman
Sri K Lakshmikanth Reddy	Member
Sri R S Agarwal	Member

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

BANKERS

State Bank of India, IFB, Hyderabad
IDBI Bank Limited, Chennai

AUDITORS

Brahmayya & Co.,
Flat No. 403 & 404, Golden Green Apartments,
Irramanzil, Colony, Hyderabad - 500 082.

REGISTERED OFFICE

Surya Towers, 1st Floor,
105, Sardar Patel Road, Secunderabad - 500 003.
Tel: 040 - 2777 4200 Fax: : 040 - 27846859
Email: cs@suryalata.com
Website : www.suryalata.com

ISIN **INE132C01027**
CIN **L18100TG1983PLC003962**
Listed on **Bombay Stock Exchange Limited (BSE)**
Scrip Code **5 1 4 1 3 8**

FACTORIES

Marchala Village, Kalwakurthy Mandal
Mahaboobnagar District, Telangana - 509 320

Urukondapet Village, Midjil Mandal,
Mahaboobnagar District, Telangana - 509 320

REGISTRAR & TRANSFER AGENTS

M/s.Karvy Computershare Private Limited,
Karvy Selenium Tower B, Plot No: 31-32,
Gachibowli, Financial District, Serilingampally,
Nankramguda, Hyderabad - 500 032.

Book Closure Dates: 15th September, 2015 to 21st September, 2015 (Both days inclusive)

NOTICE

NOTICE is hereby given that the **32nd Annual General Meeting** of the Members of **SURYALATA SPINNING MILLS LIMITED** will be held on **Monday, 21st September, 2015 at 10.30 A.M. at Kamat Lingapur Hotel, 1-10-44/2, Chikoti Gardens, Begumpet, Hyderabad - 500 016, Telangana** to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial year ended 31st March, 2015, 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 31st March, 2015.
3. To declare dividend on Equity Shares of the Company for the financial year ended 31st March, 2015.
4. To appoint a director in place of Sri Mahender Kumar Agarwal, (DIN: 00012807) Joint Managing Director of the Company who retires by rotation and being eligible, offers himself for re-appointment.
5. To Consider and if thought fit, to pass with or without modification (s), the following resolution as an **Ordinary Resolution** :

"RESOLVED THAT pursuant to Section 139 and other applicable provisions, if any, of the Companies Act, 2013, read with Companies (Audit & Auditors) Rules, 2014 including any statutory modification(s) or re-enactment thereof, for the time being in force) **M/s. Brahmayya & Co., Chartered Accountants, Hyderabad (Firm Registration No. 000513S)** be and are hereby re-appointed as Statutory Auditors of the Company to hold office from the conclusion of this 32nd Annual General Meeting until the conclusion of next Annual General Meeting of the Company, at such remuneration plus service tax as applicable and reimbursement of actual out of pocket

expenses as may be incurred in the performance of their duties, as the Board of Directors may fix in this behalf".

SPECIAL BUSINESS

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

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198 read with Schedule V and other applicable provisions if any of the Companies Act, 2013 and rules made there under, the consent of the Members be and are hereby accorded to approve and ratify the appointment of **Smt. Madhavi Agarwal (DIN 06866592)** as the Whole-Time Director of the Company with a designation as **"Executive Director"** with effect from 6th November, 2014 for a period of Five (5) years.

RESOLVED FURTHER THAT Smt. Madhavi Agarwal shall be eligible to the following remuneration:

1. Salary : ₹ 1,75,000/- per month.
2. Commission : At the rate of 1% of the net profits the company with effect from the financial year 2015-16.
3. Perquisites : In addition to the salary and commission as stated above Smt. Madhavi Agarwal shall be entitled to the following perquisites.

CATEGORY : A

Following perquisites and/or allowances given in category A will be allowed in addition to the salary, restricted to an amount of ₹ 9,00,000/- (Rupees Nine Lakhs only) per annum.

- (I) Medical Re - imbursement : Medical expenses incurred for self & family subject to a ceiling of one month's salary per year or 3 months' salary in a period of 3 years.
- (II) Club Fee : Fee of clubs subject to a maximum of two clubs, admission and life (corporate) membership fee for any one club.

- (III) Leave Travel Concession : For self and family once in a year incurred in accordance with the rules of the company.

The following perquisites referred in the Category B shall not be considered and included for computation of the ceiling on perquisites.

CATEGORY: B

- (I) Contribution by the Company to Provident Fund, Superannuation Fund or Annuity Fund as per the rules of the Company.
- (II) Payment of Gratuity subject to an amount equal to half a month's salary for each completed year of service.
- (III) The Company shall provide a Car with Driver, telephone and other communication facilities at residence for use of Company's business.

RESOLVED FURTHER THAT in the absence of or inadequacy of profits in any financial year during her tenure of office, the above remuneration will be allowed as a minimum remuneration to Smt. Madhavi Agarwal subject to the provisions of Section II of Part II of Schedule V of the Companies Act, 2013".

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

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198 & 203 and other applicable provisions, if any, of the Companies Act, 2013 and rules made there under read with schedule V, as amended from time to time the consent of the Members be and are hereby accorded for the re-appointment of **Sri Mahender Kumar Agarwal (DIN 00012807)** as **Joint Managing Director** of the Company for a further period of 5 years with effect from 1st January, 2016 to 31st December, 2020 on the following existing terms and conditions:

1. Salary : ₹ 2,50,000/- per month
2. Commission : At the rate of 2% of the net profits the company.

3. Perquisites : In addition to the salary and commission as stated above Sri Mahender Kumar Agarwal, Joint Managing Director shall be provided with a Car and driver, telephone and other communication facilities at residence for use of Company's business.

CATEGORY: A

Following perquisites and/or allowances given in category A will be allowed to him in addition to the salary, restricted to an amount of ₹ 9,60,000/- (Rupees Nine Lakh Sixty Thousand only) per annum.

- (I) Medical Re-imburement : Medical expenses incurred for self & family subject to a ceiling of one month's salary per year or 3 months' salary in a period of 3 years.
- (II) Leave Travel Concession : For self and family once in a year incurred in accordance with the rules of the company.
- (III) Club Fees : Fee of Clubs subject to a maximum of two clubs, admission and life, (Corporate) Membership Fee for any one club.

The following perquisites referred in the Category B shall not be considered and included for computation of the ceiling on perquisites.

CATEGORY: B

- (I) Contribution by the Company to Provident Fund, Superannuation Fund or Annuity Fund as per the rules of the Company.
- (II) Payment of Gratuity subject to an amount equal to half a month's salary for each completed year of service.
- (III) The Company shall provide a Car with Driver, telephone and other communication facilities at residence for use of Company's business.

RESOLVED FURTHER THAT in the absence of or inadequacy of profits in any financial year during his tenure of office, the above remuneration will be paid as a Minimum Remuneration to Sri Mahender Kumar Agarwal, Joint Managing Director of the Company subject to the provisions of Section II of Part II of Schedule V of the Companies Act, 2013".

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

"RESOLVED THAT in accordance with the provisions of Sections 42, 55, 62 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with the Rules framed there under, as amended from time to time and the Articles of Association of the Company and the regulations/guidelines, if any, prescribed by any relevant authorities from time to time, to the extent applicable and subject to such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be considered necessary by the Board of Directors (hereinafter referred to as the "Board" which term shall be deemed to include any Committee thereof constituted/to be constituted for the time being exercising the powers conferred on the Board by this Resolution) or as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the Board, the consent of the Company be and is hereby accorded to the Board to offer or invite to subscribe, issue and allot, such number of Preference Shares of the Company of the face value of ₹ 100/- (Rupees One Hundred only) each, for an aggregate value not exceeding ₹ 5 crore, as Cumulative Redeemable Preference Shares ("CRPS"), for cash at par, on a private placement basis, to such person or persons and in such proportion and on such terms and conditions as set out in the Explanatory Statement annexed to the Notice convening this meeting.

RESOLVED FURTHER that in accordance with provisions of Section 43 of the Act, the CRPS shall be non participating, carry a preferential right, vis-à-vis Equity Shares of the Company, with respect to payment of dividend and repayment in case of a winding up or repayment of capital and shall carry voting rights as per the provisions of Section 47(2) of the Act."

RESOLVED FURTHER THAT pursuant to rule 9(2) of the Companies (Share Capital and Debentures) Rules, 2014, shall set out the following information :

1. The priority with respect to payment of dividend or repayment of capital vis-a-vis equity shares.	Being Cumulative Redeemable Preference Shares, they have preference over Equity Shares with respect to payment of dividend or repayment of Capital vis-à-vis Equity Shares.
2. The participation in surplus fund	They will not be entitled to participate in Surplus Fund.
3. The participation in surplus assets and profits, on winding-up which may remain after the entire capital has been repaid.	Nil
4. The payment of dividend on cumulative or non-cumulative basis.	Cumulative Basis.
5. The conversion of preference shares into equity shares.	Not Convertible.
6. The voting rights.	They will acquire voting rights if the dividend is not paid continuously for 2 or more years .
7. Redemption of preference shares.	Redeemable in 12 years from the date of allotment of Preference Shares.

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

9. To consider and, if thought fit, to pass with or without modification, if any, the following resolution as a **Special Resolution** :

RESOLVED THAT pursuant to the provisions of Section 5 and 14 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the enabling provisions of the Memorandum and Articles of Association of the Company and subject to the requisite approvals, consents, permissions and/or sanctions as may be required, if any, the new set of draft regulations contained in the articles of association submitted to this Meeting and duly initialled be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby severally authorized to do all such acts, deeds, matters, things and to take all such steps as may be necessary, proper or expedient to give effect to the aforesaid resolution".

10. To consider and, if thought fit, to pass with or without modification, if any, the following resolution as a **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 force), the remuneration of ₹ 25,000/- (Rupees Twenty 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 31st March, 2016, be and is hereby approved and ratified".

11. To consider and, if thought fit, to pass with or without modification, if any, the following resolution as a **Special Resolution** :

"RESOLVED THAT pursuant to Section 94 and other applicable provisions, if any, of the Companies Act, 2013, the Company hereby approves that the Register of Members, the Index of Members and copies of Annual Return along with copies of Certificates and documents or any or more of them, required to be annexed thereto under Section 88 & 92 of the said Act, be kept at the office of the Company's Registrar and Transfer Agents, M/s. Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot No: 31 & 32, Gachibowli, Financial District, Serilingampally, Nankramguda, Hyderabad - 500 032 with effect from 1st April, 2015 instead of being kept at the Registered Office of the Company.

By order of the Board of Directors
For **SURYALATA SPINNING MILLS LIMITED**

PRAMEELA RANI M
COMPANY SECRETARY

Place: Secunderabad

Date : 12th August, 2015

NOTES

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and on a poll to vote instead of himself / herself and such proxy need not be a member. The instrument appointing a proxy should however be deposited at the registered Office of the Company not less than 48 hours before the commencement of the meeting.
2. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
3. An explanatory statement pursuant to Section 102 of the Companies Act, 2013 which sets out details relating to Special Business at the meeting, is annexed hereto in respect of business set out under item no's 5 to 11.
4. The Register of Members and Share Transfer Books of the Company will remain closed from **15th, September, 2015 to 21st September, 2015** (Both days inclusive) for determining the names of Members eligible for dividend on equity shares subject to the approval of Members at Annual General Meeting.
5. Pursuant to the provisions of Section 205 A (5) of the Companies Act, 1956, the dividend for the Financial Year ended 31st March, 2007 has already been transferred to Investor Education And Protection Fund (IEPF) and for the subsequent years thereafter which remain unclaimed for a period of 7 years will be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 205 A of the Companies Act, 1956.

Information in respect of such unclaimed dividend when due for transfer to the said fund is given below:

For the Financial year	Date of declaration	Un-claimed Dividend Amount (in ₹)	Last Date of claiming unpaid Dividend/Due Date for transfer to IEPF Account
2007 - 08	Not Applicable (As Dividend was not declared)		
2008 - 09	Not Applicable (As Dividend was not declared)		
2009 - 10	23rd September, 2010	1,13,700/-	29th September, 2017
2010 - 11	15th September, 2011	1,77,495/-	21st October, 2018
2011 - 12	12th September, 2012	90,457/-	18th October, 2019
2012 - 13	10th August, 2013	94,318/-	15th September, 2020
2013 - 14	6th August, 2014	98,118/-	11th September, 2021

Members who have not en-cashed the dividend warrant(s) so far for the aforesaid financial years are requested to make their claim to the Company at its registered office. It may also be noted that once the unclaimed dividend is transferred to the Investor Education and Protection Fund (IEPF) no claim shall lie in respect thereof with the Company.

Further the details of the un-claimed divided for the above said years are also placed on the Company's Website i.e. www.suryalata.com.

6. Members are requested to address all their correspondence including change of address, mandates etc. to the registrars viz. **M/s. Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad - 500 032. Phone No.: 040 - 6716 1500.**
7. The Company's Equity shares are listed at Bombay Stock Exchange Ltd., Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 and the company has paid the Listing Fees to the said Stock Exchange.
8. Pursuant to Section 113 of the Companies Act, 2013, Corporate Members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
9. In terms of Circulars issued by Securities and Exchange Board of India (SEBI), it is now mandatory to furnish a Copy of PAN Card to the Company or its RTA in the following cases viz. Transfer of Shares, Deletion of Name, Transmission of Shares and Transposition of Shares. Shareholders are requested to furnish copy of PAN card for all the above mentioned transactions.
10. A Statement giving the details of the Director(s) seeking re-appointment in the accompanying notice, as required under Clause 49 of the Listing Agreement entered with the stock Exchange are annexed thereto.
11. Members may note that the Notice of the 32nd Annual General Meeting (AGM), Annual report for the F.Y. 2014-15, along with Copies of Audited Financial Statements, Director's Report, and Auditor's Report etc. will also be available on the website of the Company, **www.suryalata.com**. Members holding shares in electronic mode are therefore requested to keep their e-mail addresses updated with the Depository participants. Members holding shares in physical mode are also requested to update their e-mail addresses by writing to the Registrar and Transfer Agent of the company at the address mentioned in (Point No: 6 above) quoting their folio no (s).

Voting through electronic means :

12. Pursuant to Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time the company is pleased to provide its members' the facility of 'remote e- voting (e-voting from a place other than venue of AGM) to exercise their right to vote at the 32nd Annual General Meeting ("AGM") by electronic means and the business may be transacted through e-voting services provided by Karvy Computer Share Private Limited ("Karvy").

The facility for voting, either through ballot/polling paper shall also be made available at the venue of the 32nd Annual General Meeting of the Company. The Members attending the meeting, who have not already cast their vote through the remote e-voting shall be able to exercise their voting rights at the meeting. The Members who have already cast their vote through remote e-voting may attend the Meeting but shall not be entitled to cast their vote again at the Annual General Meeting.

The Voting rights of the Members shall be in proportion to the paid up value of their shares in the Equity Capital of the Company as on **cut-off date (i.e. Record date) 14th September, 2015.**

The e-voting facility will be available at the link <http://evoting.karvy.com> during the following period :

Period of E-voting: **From 18-09-2015 9.00 A.M. To 20-09-2015 5.00 P.M.**

E-voting shall not be allowed beyond **5.00 P.M. on 20th September, 2015.** During the e-voting period, Shareholders of the Company holding shares either in physical form or in dematerialized form, as on **14th September, 2015,** may cast their vote electronically.

SURYALATA SPINNING MILLS LIMITED

The login ID and password for e-voting along with process, manner and instructions for e-voting is being sent to the Members along with the physical copy of the notice.

The company has appointed **Mr. R Ramakrishna Gupta, Practicing Company Secretary**, Partner at R & A Associates, Company Secretaries, Hyderabad. (Membership No: FCS 5523) as Scrutinizer for conducting the e-voting process for the Annual General Meeting in a fair and transparent manner.

By order of the Board of Directors
For **SURYALATA SPINNING MILLS LIMITED**

**PRAMEELA RANI M
COMPANY SECRETARY**

Place: Secunderabad

Date : 12th August, 2015

Corporate Identification Number: **L18100TG1983PLC003962**

Registered Office:

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

Tel: 040 - 2777 4200

Fax: 040 - 2784 6859.

Email: cs@suryalata.com

Website: www.suryalata.com.

Explanatory Statement

Pursuant to Section 102(1) of Companies Act, 2013

Item # 5: Re-appointment of Brahmayya & Co., as Statutory Auditors of the Company for the financial year 2015-16.

M/s. Brahmayya & Co., Chartered Accountants, (ICAI Firm Registration No 000513S), Hyderabad, Telangana the statutory Auditors of the Company, who holds office until the conclusion of the ensuing Annual General Meeting.

Pursuant to the provisions of section 139 of the Companies Act, 2013 read with Companies (Audit And Auditors Rules), 2014 the audit firm which has completed the term of 10 consecutive years shall not be eligible for re-appointment as auditors in the same company for a period of five years from the completion of such term.

Provided further that the Company shall comply with the said requirements within three years from the date of commencement of the Act i.e. 1-4-2014.

The existing auditors i.e. M/s. Brahmayya & Co., has been functioning as statutory auditors of the Company for more than 10 years and they can act as auditors of the company upto the financial year 2016-17.

M/s. Brahmayya & Co., have expressed their willingness to get re-appointed as the statutory auditors of the Company and furnished their certificate of eligibility and consent for their re-appointment under section 141 of the Companies Act, 2013 and the rules framed there under. The Board based upon the recommendations of the Audit Committee recommends the re-appointment of M/s. Brahmayya & Co, as the statutory auditors of the Company.

The Board of Directors recommends the resolution for the approval of the Members.

Item # 6: Appointment of Smt. Madhavi Agarwal as Executive Director of the Company

Smt. Madhavi Agarwal was appointed as Director by the Members of the Company at 31st Annual General Meeting held on 6th August, 2014.

Due to sudden and sad demise of Sri Yash Agarwal, Whole-Time Director of the Company and to shoulder the responsibilities of Sri Yash Agarwal, the Board has elevated Smt. Madhavi Agarwal as Whole-Time Director of the Company with the designation Executive Director at their meeting held on 6th November, 2014 for a period of 5 years w.e.f. 6th November, 2014.

Further pursuant to the provisions of Section 196 of the Companies Act, 2013 the appointment Smt. Madhavi Agarwal as Whole- Time Director of the Company requires approval of Members of the Company by way of ordinary resolution.

The Board of Directors recommends the resolution for the approval of the Members.

None of the Directors and Key Managerial Personnel except Sri Mahender Kumar Agarwal, Joint Managing Director being relative considered to be interested in the proposed resolution.

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

● Nature of industry

Suryalata Spinning Mills Limited is one of the largest producers of yarn. Company is into manufacturing of Synthetic blended yarns of Polyester / Viscose. Currently Company has two ISO certified manufacturing units with a total installed capacity of 93,264 spindles. Suryalata Spinning Mills Limited is one of the fast growing established Textile sector Company. Indian Textile Industry is one of the leading textile industries in the world.

- **Date of commencement of commercial production**

Commercial Operations of the Company have started during the year 1983.

- **Financial performance**

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

(₹ in Lakhs)

Item	2013-14	2012-13	2011-12
Income from Operations (Gross)	36418	28372	25661
Profit/Loss Before tax	1345	1187	655
Profit/Loss after Tax	885	808	423

- **Export performance and net foreign exchange earnings**

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

(₹ in Lakhs)

Item	2013-14	2012-13	2011-12
FOB value of goods exported	6012.82	8055.66	8983.28

- **Foreign investments or collaborators, if any**

Foreign investments in the Company as on 31st March 2015 are 13,603 equity shares. These shares are held by NRIs/OCBs. At present the Company does not have any Collaboration, either technical or Financial.

II. Information about the appointee

1. Background details

Smt. Madhavi Agarwal aged about 47 years is a commerce graduate from Sydenham college of Commerce, Mumbai 1985. She is wife of Sri Mahender Kumar Agarwal, Joint Managing Director of the Company and Daughter-in-law of Sri Vithaldas Agarwal, Managing Director of the Company.

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. She is from the family with over more than 5 decades of experience in textile industry. She is the promoter director of the Company. She was Co opted in the Board at their meeting held 12th May, 2014.

2. Past remuneration

Smt Madhavi Agarwal, was appointed as the Whole Time Director of the Company in the board meeting held on 6th November, 2014 subject to the approval of the Members.

During the year she has been paid the following remuneration:

(Amount in ₹)

Salary (including HRA)	Perquisites	Commission	Contribution to PF	Total
8,45,833	NIL	NIL	9000	8,54,833

3. Recognition or awards: Nil

4. Job profile and his suitability

Smt. Madhavi Agarwal, Whole Time Director has been taking care of Material procurements, Product Marketing and other operational and administrative affairs of the Company.

5. Remuneration proposed

It is proposed to pay the remuneration as set out in the resolution.

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

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

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

As on 31st March, 2015 Smt. Madhavi Agarwal is holding 1,05,000 Cumulative Redeemable Preference Shares of ₹ 100/- each and 6,64,161 Equity Shares of ₹ 10/- each constituting 15.57% to the total equity capital of the Company. During the year she has attended all the Board Meetings i.e. 5 meetings called and held by the company.

III. Other information

Reasons for inadequate profits

There are sufficient profits during the Financial Year 2014-15 to meet the proposed remuneration.

In case of inadequate profits during the tenure of Smt. Madhavi Agarwal as Whole Time Director of the Company, the remuneration shall be computed and paid as per Part II of Section II of Schedule -V of the Companies Act, 2013.

a) Steps taken or proposed to be taken for improvement

In tune with the changing trends the Company has expanded its production capacity to meet the growing demands in the market and to achieve enhanced revenue and profitability.

b) Expected increase in productivity and profits in measurable terms

Company is poised to increase turnover and profitability by 12%.

Board of Directors recommends the resolution for your approval.

Smt. Madhavi agarwal, herself and Sri Mahender Kumar Agarwal, Joint Managing Director being her relative, are interested in the said resolution.

Item # 7: Re-appointment of Sri Mahender Kumar Agarwal as the Joint Managing Director of the Company

Sri Mahender Kumar Agarwal, was re-appointed as the Joint Managing Director by the Members of the Company at the 27th Annual General Meeting held on 23rd September, 2010 for a period of 5 years w.e.f. 1st January, 2011 to 31st December, 2015.

He is the promoter director of the Company and he has been working with complete dedication, hard work and effective leadership resulted into profitable growth of the Company's operations.

In times of slow down of the business, the company has always kept its spirit high both in words and action due to the untiring efforts of Sri Mahender Kumar Agarwal, Joint Managing Director of the Company.

The Board reviewed the performance achieved by the Company under his leadership and appreciated the same. Further in order to avail his uninterrupted services for the growth of the company, and upon the recommendations made by the Nomination and Remuneration Committee, the board has proposed to re-appoint him as Joint Managing Director of the Company for a further period of 5 years w.e.f. 1st January, 2016 to 31st December, 2020 on the same terms and conditions as mentioned in the resolution.

Pursuant to section 196 of the Companies Act, 2013 re-appointment of the directors can be made upto a period of one year before expiry of his term.

The re-appointment of Sri Mahender Kumar Agarwal as Joint Managing Director of the Company requires the approval of Members in General Meeting by way of Ordinary Resolution pursuant to Section 196 of the Companies Act, 2013.

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

- **Nature of industry**

Suryalata Spinning Mills Limited is one of the largest producers of yarn. Company is basically into manufacturing of Synthetic blended yarns of Polyester/Viscose. Currently Company has two ISO certified manufacturing units with a total installed capacity of 93,264 spindles. Suryalata Spinning Mills Limited is one of the fast growing established Textile sector Company. Indian Textile Industry is one of the leading textile industries in the world.

- **Date of commencement of commercial production**

Commercial Operations of the Company have started during the year 1983.

- **Financial performance**

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

(₹ in Lakhs)

Item	2013-14	2012-13	2011-12
Income from Operations (Gross)	36418	28372	25661
Profit/Loss Before tax	1345	1187	655
Profit/Loss after Tax	885	808	423

- **Export performance and net foreign exchange earnings:**

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

(₹ in Lakhs)

Item	2013-14	2012-13	2011-12
FOB value of goods exported	6012.82	8055.66	8983.28

- **Foreign investments or collaborators, if any**

Foreign investments in the Company as on 31st March 2015 are 13,603 equity shares. These shares are held by NRIs/OCBs. At present the Company does not have any Collaboration, either technical or Financial.

II. Information about the appointee

1. Background details

Sri Mahender Kumar Agarwal has been associated with the Company since 1991. He is from the family with over 5 decades of experience in textile industry. He himself is having vast experience in Textile Industry of about 30 years. He is the promoter director of the Company. He was appointed as Director with effect from 30th March, 1991 and from there onwards Company is benefited from his valuable guidance in its journey towards success.

2. Past remuneration

Presently he is drawing the following remuneration

(Amount in ₹)

Salary (including HRA)	Perquisites	Commission	Contribution to PF	Total
33,50,640	5,20,424	39,88,595	16,500	78,76,159

3. Recognition or awards: Nil

4. Job profile and his suitability

Sri Mahender Kumar Agarwal, Joint Managing Director has been taking care of production, administration and other operational affairs of the Company. Since his tenure as Joint Managing Director, he has steered the Company with total dedication, hard work and effective leadership into diversified activities, resulting in the profitable growth of the Company's operations.

5. Remuneration proposed

It is proposed to pay the same existing remuneration as set out in the resolution.

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

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

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

As on 31st March, 2015 Sri Mahender Kumar Agarwal is holding 45,000 Cumulative Redeemable Preference shares of the company and is receiving dividend on the same. He has advanced unsecured loans to the Company on which he is receiving interest. Other than this he is not having any other pecuniary relationship with the Company. Sri Vithaldas Agarwal, Managing Director and Smt. Madhavi Agarwal, Whole - Time Director of the Company are relatives to him within the meaning of Companies Act, 2013.

III. Other information

Reasons for inadequate profits

There are sufficient profits during the Financial Year 2014-15 to meet the proposed remuneration.

In case of inadequate profits during his tenure as Joint Managing Director of the Company, the remuneration shall be computed and paid as per Part II of Section II of Schedule -V of the Companies Act, 2013.

a) Steps taken or proposed to be taken for improvement

In tune with the changing trends the Company has expanded its production capacity to meet the growing demands in the market and to achieve enhanced revenue and profitability.

b) Expected increase in productivity and profits in measurable terms

Company is poised to increase turnover and profitability by 12%.

Board of Directors recommends the resolution for your approval.

Sri Mahender Kumar Agarwal, himself, Sri Vithaldas Agarwal, Managing Director and Smt. Madhavi Agarwal, Whole Time Director being his relatives, are interested in the said resolution.

Item # 8: Further issue of Preference Shares of the Company.

To augment the fund requirements for business expansion and day to day operations it is proposed to raise fund to the tune of ₹ 5,00,00,000/- (Rupees Five Crores Only) by way of issue of further capital in the form of 5,00,000 Cumulative Redeemable Preference Shares of ₹ 100/- each.

As per Section 42, 55 & 62 of the Companies Act, 2013 read with the Rules framed there under, a Company offering or making an invitation to subscribe to Cumulative Redeemable Preference shares which are non-convertible on a Private Placement Basis, is required to obtain the prior approval of Shareholders by way of Special Resolution.

The approval of the members is accordingly being sought by way of a special resolution under section 42, 55 and 62 of the companies Act, 2013 read with the rules made there under, for issue of cumulative redeemable preference shares ("CRPS") aggregating an amount of not exceeding ₹ 5 Crore and to offer and allot the CRPS on a private placement basis in one or more tranches on the terms and conditions as set out hereunder.

Given below is the statement of material facts concerned with the issue of CRPS, as required under rule 9(3) of the Companies (Share Capital & Debentures) Rules, 2014:

1. The CRPS shall be Cumulative, non-Participating and Non convertible.
2. The objective of the issue is augment funds requirement to finance the Company's working capital requirements.
3. The CRPS shall be issued & offered on a private placement basis in accordance with the provisions of section 42, 55 and 62 of the Act and rules made there under.
4. Other terms

Issue Size	Upto 5,00,000 CRPS of face value of ₹ 100/- each for an amount not exceeding ₹ 5 Crore.
Nature of Shares	Cumulative Redeemable Non- Convertible Preference Shares.
Issue Price	CRPS will be issued at par.
Objective of the issue	To cater the fund requirement of business expansion and day to day operations.
Manner of the issue	on Preferential basis.
Price at which shares are proposed to be issue	As the shares are Preference Shares, they are proposed to be offered at face value of the shares i.e. ₹ 100/- per share.

(Contd.)

Terms of issue	a. The Issue of CRPS is in accordance with the provisions of the articles of association of the company.
	b. The issue and allotment of said CRPS shall be completed within a period of 12 months from the date of obtaining the Members approval.
	c. The Rate of Dividend is 8% p.a. which is payable on yearly basis.
	d. They will not be entitled to participate in Surplus Fund.
	e. They will acquire voting rights if the dividend is not paid continuously for 2 or more years
	f. The Company may redeem its Preference Shares only on the terms on which they were issued or as varied which may include enhancement or reduction in period of redemption after due approval of the Preference Shareholders in accordance with the provisions of the Companies Act, 1956 /2013 and as amended from time to time.
Offer period	As may be determined by the Board.
Terms of Redemption	Redemption at par in accordance with section 55 of the Act.
Tenure of Redemption	Redeemable at par after the expiry of 12 years from the date of allotment of Preference Shares.
Manner and Mode of Redemption	Redeemable out of cumulative profits/specific Reserve created from the profits for redemption of these shares .
Expected dilution in equity capital upon conversion of preference shares	NIL, since the CRPS are not convertible.

5. The Current Equity Share holding pattern of the Company as on 31st March, 2015 is as under

S. No.	Equity Shareholder	Percentage of Holding (%)
1.	Promoters Holding	70.36
2.	Financial Institutions/Banks	0.03
3.	Bodies Corporate	5.63
4.	Non Resident Individuals	0.32
5.	Clearing Members	0.13
6.	Individuals	23.53
	Total	100

6. There is no subsisting default in the redemption of preference shares issued by the company or in payment of dividend due on any preference shares issued by the company.
7. The intention of the proposed subscription by the promoters is to cater the fund requirement of business expansion and day to day operations.

8. The Company has issued and allotted 6,00,000 Equity Shares of ₹ 10/- each at a premium of ₹ 120/- to promoters & its group on Preferential basis on 25th March, 2015. The details are as follows :

SI. No	Name of the Allottee	No. of Equity Shares allotted
1.	Sri Vithaldas Agarwal	2,40,000
2.	Sri Mahender Kumar Agarwal	1,60,000
3.	Smt. Madhavi Agarwal	1,60,000
4.	M/s. Agarwal Mahender Kumar (HUF)	40,000

9. The said CRPS shall be issued to the persons, of whom the details are as follows

SI. No.	Subscriber to the Issue	Existing Holding		New Subscription	Post offer of capital	
		No of Shares	% of holding		No of Shares	% of holding
1.	Sri Vithaldas Agarwal	Nil	Nil	2,40,000	2,40,000	36.92%
2.	Sri Mahender Kumar Agarwal	45,000	30%	1,40,000	1,85,000	28.46%
3.	Smt. Madhavi Agarwal	1,05,000	70%	1,05,000	2,10,000	32.31%
4.	M/s. Agarwal Mahender Kumar (H.U.F)	Nil	Nil	15,000	15,000	2.31%

The Board of Directors recommend, the resolution at item no. 8 above for the approval of the members of the Company.

The Directors or Key Managerial Persons of the company or their respective relatives, may be deemed to be concerned or interested in the resolution at item no 8 to the extent of the CRPS that may be subscribed by them.

Item # 9 : Adoption of New Set of Articles as per the provisions of the Companies Act, 2013.

The existing Articles of Association (AOA) of the Company are based on the provisions of the Companies Act, 1956 and several regulations in the existing articles contain reference to the sections of the companies Act, 1956. Some regulations in the existing articles are no longer in conformity with the provisions of the Companies Act, 2013 ("Act").

With the enactment of the Companies Act, 2013, several regulations of the existing articles of the Company require alteration and/or deletion. Given this position, it is considered expedient to wholly replace the existing articles by a new set of articles.

The draft Articles, shall be open for inspection by the Members at the registered office of the Company on all the working days (except Saturdays & Sundays) between 11.00 am to 1.00 pm upto to the date of this Annual General Meeting.

None of the Directors, Key Managerial personnel, and their relatives of the company directly/indirectly are considered or interested, financial or otherwise, in the said resolution.

The Board of Directors recommend the special resolution set out at Item No. 9 of the Notice for approval of Members.

Item # 10 Ratification of Remuneration of Cost Auditor.

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 ₹ 25000/- plus reimbursement of out of pocket expenses, for conducting audit of cost records for the F.Y 2015-16.

In terms of the provisions of section 148 of the Companies Act, 2013 and rules made there under 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 2015-16.

The ratification by the Members to this Remuneration is being sought in this resolution.

The Board recommends the resolution for approval of the Members.

None of the Directors, Key Managerial personnel, and their relatives of the company is directly / indirectly interested in the above resolution.

Item # 11 Change of Address of RTA

The Company's Register of Members and other records may be kept at Company's Registrar and Transfer Agent viz. M/s. Karvy Computershare Private Limited, Plot No: 17-24, Vittal Rao Nagar, Madhapur, Hyderabad - 500 081 instead of keeping the same at the Registered office of the Company. Now the Company's Registrar and Transfer Agent, M/s. Karvy Computershare Private Limited has shifted from the above address to Karvy Selenium Tower B, Plot No: 31-32, Gachibowli, Financial District, Serilingampally, Nankramguda, Hyderabad - 500 032. The approval of the Members is required U/s. 94 of the Companies Act, 2013 for keeping the above records at the new location M/s. Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot No: 31-32, Gachibowli, Financial District, Serilingampally, Nankramguda, Hyderabad - 500 032.

The Board recommends the Resolution No: 11 for your approval.

None of the Directors, Key Managerial personnel, and their relatives of the company is directly / indirectly or financially interested in the above resolution.

By order of the Board of Directors
For **SURYALATA SPINNING MILLS LIMITED**

Place: Secunderabad
Date : 12th August, 2015

PRAMEELA RANI M
COMPANY SECRETARY

Corporate Identification Number: **L18100TG1983PLC003962**

Registered Office:

Surya Towers, 1st Floor,
105, Sardar Patel Road,
Secunderabad - 500 003.
Tel: 040 - 2777 4200
Fax: 040 - 2784 6859.
Email: cs@suryalata.com
Website: **www.suryalata.com**.

DETAILS OF THE DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING

(Pursuant to Clause 49 of the Listing Agreement)

Particulars	Details of Directors seeking appointment/re-appointment	
Name of the Director(s)	Mahender Kumar Agarwal	Madhavi Agarwal
Director Identification Number (DIN)	00012807	06866592
Date of Birth	28th February, 1964	2nd December, 1967
Date of Appointment	30th March, 1991	25th May, 2014
Qualification	Graduation	Graduation
Specific Functional areas	Production, administration and other operational affairs of the Company	Material procurements, Product Marketing of the Company.
Directorships in other Companies	<ol style="list-style-type: none"> 1. Nucam Builders Private Limited 2. Nucam Constructions & Estates Private Limited 3. YP Solar Power Private Limited 4. Telangana Spinning Mills & Textiles Association 	Nil
No of Shares held in the Company	<ol style="list-style-type: none"> 1. 10,07,133 Equity Shares of ₹ 10/- each and 2. 45,000 Cumulative Redeemable Preference Shares of ₹ 100/- each. 	<ol style="list-style-type: none"> 1. 6,64,161 Equity Shares of ₹ 10/- each and 2. 1,05,000 Cumulative Redeemable Preference Shares of ₹ 100/- each
Inter- se Relationship between the Board Members	Sri Mahender Kumar Agarwal is S/o. Sri Vithaldas Agarwal, Managing Director and his wife Smt. Madhavi Agarwal is Whole-Time Director of the Company.	Smt. Madhavi Agarwal is W/o. Sri Mahender Kumar Agarwal, Joint Managing Director and Daughter-in-law of Sri Vithaldas Agarwal, Managing Director of the Company.

DIRECTORS' REPORT

To

The Members,

Your Directors have pleasure in presenting the 32nd Annual Report together with the Company's Audited Financial Statements for the financial year ended 31st March, 2015.

Financial Results

The financial performance of the Company during the year ended 31st March, 2015 has been summarized below:

Particulars	(₹ in Lakhs)	
	Current Year 2014 - 15	Previous Year 2013 - 14
Gross Sales/Turnover	37,694	36,418
Net Sales/Turnover	36,541	35,011
Profit before Interest, Depreciation and Tax	3,859	3,357
Interest	1,074	1,118
Depreciation	868	894
Profit Before Tax	1,917	1,345
Less: Provision for tax	482	285
Deferred Tax Liability	170	175
Profit After Tax	1,265	885
Add: Profit brought forward from last year	925	668
Amount available for appropriation	2,190	1,553
Appropriations:		
Transfer to		
(a) General Reserve	1,000	500
(b) Preference Shares Redemption Reserve	0	0
(c) Dividend on Equity Shares	77	55
(d) Dividend on Preference Shares	54	55
(e) Dividend distribution tax	26	18
Balance Carried forward to Balance Sheet	1,033	925

Details of operations

Despite subdued market conditions and uncertain global environment, the Company enabled to increase turnover and maintained the profits in the Financial Year 2014-15.

Highlights of the Company's Affairs

The highlights of the Company's performance are as under:

- Revenue from operations increased by 3.50% to ₹ 37694 lakhs, compared to ₹ 36418 lakhs in the previous year.
- Exports decreased by 13.45 % to ₹ 10567 lakhs, compared to ₹ 12209 Lakhs in the previous year.
- Production quantities increased by 11.25% to 24151 MTs as against 21708 MTs in previous year.
- Profit Before Tax increased by 42.53% to ₹ 1917 Lakhs, compared to ₹ 1345 Lakhs in previous year.
- Profit After Tax increased by 42.94% to ₹ 1265 Lakhs, compared to ₹ 885 Lakhs in previous year.
- Cash Profits increased by 24.44% to ₹ 2785 Lakhs, compared to ₹ 2238 lakhs in previous year.

Capital expenditure

During the year under review, your company has incurred ₹ 1378 Lakhs towards the capital expenditure.

Future outlook

A note on the future outlook of your Company is presented under Management Discussion and Analysis, which forms part of this Report.

Transfer to Reserves

The Company has proposed to transfer ₹ 1,000 lakhs to the general reserve for the financial year ended 31st March, 2015.

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 2014-15. The said Dividend will absorb a sum of ₹ 53,66,028/-. The corporate dividend tax will be ₹ 10,73,069/-.

Also your Directors have recommended the payment of Dividend on the Equity Shares at 18% (i.e.) ₹ 1.80 per share of ₹ 10/- each for the year 2014-15. The dividend will absorb a sum of ₹ 76,80,600/- and the dividend tax will be ₹ 15,35,924/-.

Deposits

During the year under review, the Company has repaid the existing deposits of ₹ 1,50,00,000/- (Rupees One Crore Fifty Lakhs Only) in compliance with Section 74 of the Companies Act, 2013. Further the Company has not accepted any deposits during the Financial Year 2014-15 in pursuance of Chapter V Companies (Acceptance of Deposits) Rules, 2014.

Subsidiaries

YP Solar Power Private Limited has been incorporated as a Wholly Owned Subsidiary of the Company vide **CIN U40108TG2015PTC097746** w.e.f. 23rd February, 2015 to generate power for captive consumption purpose. The Company is yet to commence its business activities.

Disclosures under the Companies Act, 2013

Extract of Annual Return

The Extract of Annual Return prepared in Form MGT-9 as per the provisions of Section 92 of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is enclosed as **Annexure I** to this Report.

Number of Meetings of the Board of Directors

Five Board Meetings were held during the Financial Year 2014-15. The dates of the board meetings are as below :

12th May, 2014, 6th August, 2014, 6th November, 2014, 5th February, 2015 and 14th March, 2015.

Changes in share capital

During the year under review, your company has made an issue and allotment of 6,00,000 Equity shares of face value of ₹ 10/- each on preferential basis at a premium of ₹ 120/- each to the promoters & promoters group of the Company.

Consequently the paid up equity share capital of the Company has increased from ₹ 3,66,70,000 to ₹ 4,26,70,000.

Further the company has also redeemed the 5,86,484 Cumulative Redeemable Preference Shares of ₹ 100/- each at par held by promoters of the company.

Consequently the paid up preference share capital of the company has decreased from ₹ 7,36,48,400 to ₹ 1,50,00,000.

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, 2015, 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, 2015, 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, 2015, 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 Section 149 (7) of the Companies Act, 2013 stating that they meet the criteria of independence as provided in Sub-Section (6) of section 149 of Companies Act, 2013.

Related Party Transactions

During the year under review, the Company has not entered into any related party transactions pursuant to section 188 of the Company's Act, 2013. Further there are no materially significant related party transactions made by the Company during the Financial Year 2014-15 which may have the potential conflict with the interest of the company at large.

Accordingly, there are no transactions that are required to be reported in Form AOC-2 and as such doesn't form part of the Report.

The Company has adopted a Related Party Transactions policy and the 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 invested ₹ 1,00,000/- (Rupees one Lakh only) in the form of subscription to the shares of the Company YP Solar Power Private Limited incorporated as wholly owned subsidiary of the company.

Further the Company has not granted any Loans / gave guarantees to any person or body Corporate covered under section 186 of the Companies Act, 2013.

Particulars of Employees

The details pursuant to Section 197 (12) of the Companies Act, 2013 read with Rule 5 (1) of the Companies (Appointment And Remuneration Of Managerial Personnel) Rules, 2014 enclosed as ***Annexure - II.***

Further during the year under review, none of the employees are receiving remuneration as set out in Rule (5) (2) of the Companies (Appointment And Remuneration of Managerial Personnel) Rules, 2014.

Directors

The Board has deeply saddened to inform the Members of the Company about untimely demise of **Sri Yash Agarwal** (27 Years), Executive Director of the Company accompanying with his spouse **Smt. Pankhuri Agarwal** (26 Years) in the tragic accident at Thailand, Bangkok on 5th October, 2014.

Words seems inadequate to express the sadness indeed its great loss to the Company and to the family of Promoters of the Company.

Later to the above tragedy, and to shoulder the responsibilities of Sri Yash Agarwal, Executive Director (DIN 03168109) the Board has appointed Smt. Madhavi Agarwal as Executive Director of the Company with the designation Whole-Time Director at their meeting held on 6th November,

2014 subject to the approval of the Members in the ensuing Annual General Meeting of the Company.

In accordance with the provisions of the Companies Act, 2013 and in terms of Articles of Association of the Company, Sri Mahender Kumar Agarwal, Joint Managing Director of the Company is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Board of Directors recommends the above re-appointment brief profile of directors is given in the Corporate Governance report attached to this report.

Details of Directors or Key Managerial Personnel who were appointed or have resigned during the year.

Sri K. Nageswara Rao, has been designated as Chief Financial Officer (CFO) of the Company pursuant to the provisions of Section 203 of the Companies Act, 2013 in the Board Meeting of the Company held on 6th August, 2014.

The Board of Directors have also appointed Smt. Pameela Rani M as Company Secretary of the Company at their meeting held on 6th November, 2014, pursuant to the provisions of Section 203 of the Companies Act, 2013.

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 consists of Sri R Surender Reddy, Chairman, Sri R S Agarwal, Member and Sri K R Suresh Reddy, Member. All the recommendations made by the Audit Committee were accepted by the Board.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee consists of Sri K R Suresh Reddy, Chairman, Sri Lakshmikanth Reddy, Member and Sri R S Agarwal, Member.

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

Corporate Social Responsibility

The Corporate Social Responsibility consists of Sri R Suresh 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 and sustainable development of the community at large, is titled as the **Suryalata Spinning Mills Limited Corporate Social Responsibility Policy**.

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

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

The Report on Corporate Social Responsibility as per Rule 8 of (Corporate Social Responsibility Policy) Rules, 2014 is prepared and the same is enclosed as **Annexure III** to this Report.

Stake Holders Relationship Committee

Stake holders relationship committee consists 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 Stake holders relationship Committee of the company.

Auditors

The Auditors, M/s. Brahmayya & Co., Chartered Accountants, (ICAI Firm Registration No 000513S) Hyderabad, Statutory Auditors of the Company, retires at the ensuing Annual General meeting and are eligible for re-appointment pursuant to section 139 of the Companies' Act, 2013.

Auditor's Report

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

The Audit Committee of the Company has reviewed the audited financial statements for the year under review at its meeting held on 25th May, 2015 and recommended the same for the approval of the Board.

Secretarial Auditor

The Board has appointed M/s R. & A Associates, a firm of practicing Company Secretaries, Hyderabad as the Secretarial Auditor to conduct Secretarial Audit of the Company for the Financial year ended 31st March, 2015 in compliance with the provisions of Section 204 of the Companies Act, 2013.

The report of the Secretarial Audit Report by M/s. R & A Associates, in Form MR-3 is enclosed as as **Annexure IV** to this Report.

Replies to the observations made in the Secretarial Audit Report

Sri K Nageswara Rao was acting as General Manager - Finance of the Company and keeping in view of his expertise and services rendered to the Company the board has designated Sri K Nageswara Rao as Chief Financial Officer of the Company at their meeting held on 6th August, 2014. He is Member of institute of Chartered Accountants of India (ICAI).

The Company was in search of suitable person for the position of Company Secretary and has appointed Smt. Prameela Rani M as Company Secretary of the Company at the meeting of Board of Directors held on 6th November, 2014.

The Board is reforming the existing internal control systems of the Company in order to ensure foremost compliance of the applicable rules, laws and regulations.

Cost Auditor

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 2015-16, 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 her remuneration for the ratification of Members at the ensuing Annual General Meeting. Further please note that pursuant to the Companies (Cost Records & Audit) Rules, 2014, the appointment of Cost Auditor for the Financial Year 2014-15 was not applicable to the Company.

Vigil Mechanism/Whistle Blower Policy

The Board of Directors of the Company have 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.

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 weakness in the design or operation were observed.

Change in the Nature of Business

During the year under review there has been no change in the nature of business of the Company .

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

There were no material changes and commitments in the business operations of the Company from the Financial Year ended 31st March, 2015 to the date of signing of the Director's Report.

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 V** to this Report.

Corporate Governance

A detailed Report on Corporate Governance in **Annexure VI**, Management Discussion and Analysis Report and the Certificate from the Auditors of your Company regarding compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, forms part of 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.

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.

Mechanism for Board Evaluation

Clause 49 of the Listing Agreement states that the board shall monitor and review the board evaluation framework. The Companies Act, 2013 states that a formal annual evaluation needs to be made by the Board of its own performance and that of its committees and individual directors. Schedule IV of the Companies Act, 2013 states that the performance evaluation of the independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.

The Directors evaluation was broadly based on the parameters such as understanding of the Company's vision and 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 the performance of Non-Independent Directors, Chairman and the quality, quantity and timelines of flow of information between the Company management and Board.

Disclosure pertaining to sexual harassment of women at workplace

During the Financial year ended 31st March, 2015 the Company has neither received any complaints nor there are any pending complaints pertaining to sexual harassment.

Acknowledgments

The Board of Directors places on record its gratitude to IDBI Bank Limited, State Bank of India, Insurance Companies and Government Authorities for their assistance and cooperation. The Board also acknowledges the support of the shareholders of the Company. The Board also places on record their deep sense of appreciation for the committed services of all the employees of the Company.

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

R. Surender Reddy
Chairman
DIN 00083972

Place : Secunderabad
Date : 12th August, 2015

ANNEXURES TO DIRECTORS' REPORT
EXTRACT OF ANNUAL RETURN as on the financial year ended 31st March 2015.

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

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	L18100TG1983PLC003962
ii)	Registration Date	23rd May, 1983
iii)	Name of the Company	SURYALATA SPINNING MILLS LIMITED
iv)	Category/Sub-Category of the Company	Company limited by Shares & Indian Non Government Company
v)	Address of the Registered office and contact details	Surya Towers, 1st Floor, 105, Sardar Patel Road, Secunderabad - 500 003, Telangana. Tel: 040 2777 4200.
vi)	Whether listed company Yes / No	YES
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s. Karvy Computershare Private Ltd, Karvy Selenium Tower B, Plot No 31 & 32, Gachibowli, Financial District Nanakramguda, Serilingampally Mandal Hyderabad - 500 032, Telangana.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl.No.	Name and Description of main products/services	NIC Code of the Product/service	% to total turnover of the Company
1	Yarn	13114	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S.No	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	YP Solar Power Private Ltd., Surya Towers, 1st Floor, 105, Sardar Patel Road, Secunderabad -500 003.	U40108TG2015PTC097746	Subsidiary	100	2 (87)

IV. SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAK UP AS PERCENTAGE OF TOTAL EQUITY)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	2402310	0	2402310	65.51	3002310	0	3002310	70.36	4.85
b) Central Govt.	0	0	0	0	0	0	0	0	0
c) State Govt.	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	0	0	0	0	0	0	0	0
e) Banks/Fl	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
Sub-total (A)(1)	2402310	0	2402310	65.51	3002310	0	3002310	70.36	4.85
(2) Foreign									
a) NRI's-Individuals	0	0	0	0	0	0	0	0	0
b) Other - individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks/Fl	0	0	0	0	0	0	0	0	0
e) Any other	0	0	0	0	0	0	0	0	0
Sub-total (A)(2)	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoter (A) = (A)(1) + (A)(2)	2402310	0	2402310	65.51	3002310	0	3002310	70.36	4.85
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	96	0	96	0.00	96	0	96	0.00	0
b) Banks/Fl	0	990	990	0.03	0	990	990	0.03	0
c) Central Govt.	0	0	0	0	0	0	0	0	0
d) State Govt.(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-Total (B)(1)	96	990	1086	0.03	96	990	1086	0.03	0

SHAREHOLDING PATTERN (Contd.)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Z. Non-Institutions									
a) Bodies Corp.									
i) Indian	235293	2001	237294	6.47	238158	2001	240159	5.63	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual Shareholding upto ₹ 1 lakh	603866	95434	699300	19.07	598614	94279	692893	16.24	0
ii) Individual shareholding nominal share capital in excess of ₹ 1 lakh	312804	0	312804	8.53	311535	0	311535	7.30	0
c) Others Clearing Members	1662	0	1662	0.05	5414	0	5414	0.13	0
d) NRIs	12544	0	12544	0.34	13603	0	13603	0.32	0
Sub-Total(B)(2)	1166169	97435	1263604	34.46	1167324	96280	1263604	29.61	0
Total Public Shareholding (B) = (B)(1)+(B)(2)	1166265	98425	1264690	34.49	1167420	97270	1264690	29.64	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	3568575	98425	3667000	100	4169730	97270	4267000	100	0

ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change during the year
		No. of Shares	% of Total Shares of the Company	% of Shares Pledged/ Encumbered to total shares	No. of Shares	% of Total Shares of the Company	% of Shares Pledged/ Encumbered to total shares	
1	Vithaldas Agarwal	818844	22.33	17.97	1058844	24.81	15.44	2.48
2	Mahender Kumar Agarwal	847133	23.10	19.56	1007133	23.60	16.81	0.50
3	Madhavi Agarwal	504161	13.75	0	664161	15.57	5.16	1.82
4	Yash Agarwal	81130	2.21	0	81130	1.90	0	(0.31)
5	Agarwal Mahender Kumar - HUF (Represented by Mahender Kumar Agarwal)	151042	4.12	2.84	191042	4.48	2.44	0.36

(iii) Change in Promoters' Shareholding

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	At the beginning of the year	2402310	65.51	2402310	65.51
2	Preferential Allotment as on 25-03-2015	600000	14.06	3002310	70.36
3	At the End of the year	-	-	3002310	70.36

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

S.No	Folio/Client ID	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding at the end of the year	
			No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	13219193	Jamson Securities Pvt Ltd	171373	4.67	171373	4.02
2	10012064	Pranav Kumarpal Parekh	37547	1.02	37547	0.88
3	12619244	Anil Kumar	31500	0.86	31500	0.74
4	1201090000935629	Shravan Kudaravalli	23618	0.64	0	0
5	10011221	Vinodchandra Mansukhlal Parekh	20618	0.56	27353	0.64
6	10011922	Sanjeev Vinodchandra Parekh	19500	0.53	19500	0.46
7	10423398	R. Indira Reddy	18775	0.51	18775	0.44
8	14972584	Sharekhan Limited	16299	0.44	180	0.00
9	1203070000031871	Vijay Kumar Agarwal	15652	0.43	4000	0.09
10	1207780000000015	Anuj Shantilal Badjate	15400	0.42	15400	0.36
11	10016437	Kumarpal Mansukhlal Parekh	15237	0.42	15237	0.36
12	10001824	Dipak Kanayalal Shah	15000	0.41	0	0
13	20449402	Gm Surana	15000	0.41	15000	0.35
14	10002938	Mayur Mangaldas Kothari	14467	0.40	5295	0.12
15	10011859	Sangita Kumarpal Parekh	12382	0.34	12382	0.29

v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	Particulars	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	Surender Reddy	3600	0.10	3600	0.08
2	Vithaldas Agarwal	818844	22.33	1058844	24.81
3	Mahender Kumar Agarwal	847133	23.10	1007133	23.60
4	Madhavi Agarwal	504161	13.75	664161	15.57

V. INDEBTEDNESS

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	91,58,50,618	14,43,12,987	1,50,00,000	1,07,51,63,605
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not paid	78,50,735	-	-	78,50,735
Total (i)+(ii)+(iii)	92,37,01,353	14,43,12,987	1,50,00,000	1,08,30,14,340
Change in indebtedness during the financial year				
Addition	25,97,36,801	82,00,000	-	26,79,36,801
Reduction	(19,31,25,186)	(1,43,48,280)	(1,50,00,000)	22,24,73,466
Net change indebtedness	6,66,11,615	(61,48,280)	(1,50,00,000)	4,54,63,335
At the end of the financial year				
i) Principal Amount	98,32,36,814	13,81,64,707	-	1,12,14,01,521
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not paid	70,76,154	-	-	70,76,154
Total (i)+(ii)+(iii)	99,03,12,968	13,81,64,707	-	1,12,84,77,675

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director, Whole-time Director and/or Manager (in ₹)

S. No.	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount
		Vithaldas Agarwal, Managing Director	Mahender Kumar Agarwal, Joint Managing Director	Yash Agarwal, Whole-time Director	Madhavi Agarwal, Whole-time Director	
1	Gross Salary					
	(a) Salary as per provisions contained in section 17(1) of Income Tax Act, 1961	33,00,000	33,67,140	*10,32,397	**8,54,833	85,54,370
	(b) Value of perquisite u/s 17(2) of Income Tax Act, 1961	Nil	5,20,424	1,53,700	Nil	6,74,124
	(c) Profits in lieu of salary under section 17(3) of Income Tax Act, 1961	Nil	Nil	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil	Nil	Nil

(Contd.)

Remuneration to Managing Director, Whole-time Director and/or Manager (in ₹)

S. No.	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount
		Vithaldas Agarwal, Managing Director	Mahender Kumar Agarwal, Joint Managing Director	Yash Agarwal, Whole-time Director	Madhavi Agarwal, Whole-time Director	
3	Sweat Equity	Nil	Nil	Nil	Nil	Nil
4	Commission					
	- as 2 % of profit					
	- Others, specify	39,88,595	39,88,595	Nil	Nil	79,77,190
5	Others, please specify	Nil	Nil	Nil		Nil
	Total (A)	72,88,595	78,76,159	11,86,097	8,54,833	1,72,05,684
	Ceiling as per the Act					2,07,30,968

* For the period from 1st April, 2014 to 4th October, 2014.

** For the period from 6th November, 2014 to 31st March, 2015.

B. Remuneration to other Directors - (in ₹)

Particulars of Remuneration	Name of Directors					Total Amount
	R Surender Reddy	K Lakshmikanth Reddy	R S Agarwal	K R Suresh Reddy	Madhavi Agarwal	
Independent Directors	31,000	29,000	23,000	36,000	4,000	1,23,000
• Fee for attending board/ committee meetings	Nil	Nil	Nil	Nil	Nil	Nil
• Commission	Nil	Nil	Nil	Nil	Nil	Nil
• Others, please specify						
Total (1)	31,000	29,000	23,000	36,000	4,000	1,23,000
Other Non-Executive Directors	Nil	Nil	Nil	Nil	Nil	Nil
• Fee for attending board/ committee meetings						
• Commission						
• Others, please specify						
Total (2)	-	-	-	-	-	-
Total (B) = (1+2)	31,000	29,000	23,000	36,000	4,000	1,23,000
Ceiling as per the Act						33,00,000

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD (in ₹)

S. No.	Particulars of remuneration	Name of Key Managerial Personnel		Total Amount
		Company Secretary (CS)	Chief Financial Officer (CFO)	
1	Gross Salary			
	(d) Salary as per provisions contained in section 17(1) of Income Tax Act, 1961	1,73,427	19,90,330	21,63,757
	(e) Value of perquisite u/s 17(2) of Income Tax Act, 1961	Nil	Nil	Nil
	(f) Profits in lieu of salary under section 17(3) of Income Tax Act, 1961	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil
4	Commission - as % of profit - Others, specify	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil
	Total (A)	1,73,427	19,90,330	21,63,757

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding Fees imposed	Authority (RD /NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty					
Punishment			NIL		
Compounding					
B. DIRECTORS					
Penalty			NIL		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			NIL		
Punishment					
Compounding					

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 FY 14-15	Remuneration in FY 13-14	% of increase in remuneration	Ratio of remuneration to MRE	Ratio of remuneration to	
						Revenues FY 14-15	Net Profit FY 14-15
Executive Directors							
Vithaldas Agarwal	Managing Director	*72,88,595	*32,40,000	124%	69 times	0.0019 times	0.0576 times
Mahender Kumar Agarwal	Joint Managing Director	*78,76,159	*36,14,964	117%	75 times	0.0020 times	0.0622 times
Yash Agarwal	Whole -Time Director (1.4.2014 to 05.10.2015)	11,86,097	21,75,271	(45.47)	11 times	0.0003 times	0.0094 times
Madhavi Agarwal	Whole-Time Director w.e.f 6th November, 2015	8,54,833	Nil	Nil	8 times	0.0002 times	0.0068 times
Key Managerial Personnel							
K Nageswara Rao	Chief Financial Officer	19,90,330	18,32,830	8.59 %	19 times	0.0005	0.0157
Prameela Rani M	Company Secretary	1,73,427	Nil	Nil	2 times	0 times	0.0013 times

* Sri Vithaldas Agarwal, Managing Director and Sri Mahender Kumar Agarwal, Joint Managing Director of the Company are eligible to receive Commission of 2% on the Net profits of the Company w.e.f. the Financial year 2013-14 as approved by the Members of the Company at 30th Annual General Meeting held on 10th August, 2013. However the directors were given consent for waive the commission for the financial year 2013-14.

Sri Vithaldas Agarwal, Managing Director and Sri Mahender Kumar Agarwal, Joint Managing Director of the Company have been paid commission of 2% on the net profits of the Company for the financial year 2014-15.

- The Median Remuneration of the employees of the Company during the financial year was ₹ 1,05,600/- .
- In the financial year, there was an increase of 10% in the median remuneration employees.
- There are 393 permanent Employees on the Rolls of the Company as on 31st March, 2015.
- Variations in the market capitalization of the Company:
 - The Market Capitalization as on 31st March, 2015 is ₹ 47.36 Crores and on 31st March, 2014 was ₹ 19.54 Crores.
 - Price earnings ratio of the Company as on 31st March, 2015 is 3.94 as against 2.38 as at 31st March, 2014.
 - Percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer- The closing price of the company's equity shares on BSE as on 31st March, 2015 is ₹ 111/- representing a 1010% of increase over the IPO price of ₹ 10/- per share.
- 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.
- The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year - N.A. and
- it is hereby confirmed that the remuneration is as per the remuneration policy of the Company.

Report on Corporate Social Responsibility as per Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014.

The Company's CSR Policy seeks to touch and transform people's lives by promoting health care, education and employment opportunities. Indeed it seeks to evaluate the quality of people especially the disadvantaged sections of the society.

Identified Areas of Engagement.

- Promoting education, including special education and employment enhancing vocational skills among children and women.

- Eradicating hunger and poverty and malnutrition and sanitation and making available safe drinking water and
- Animal Welfare.

Composition of CSR Committee.

The CSR Committee comprises of the following :

- Sri R Surender Reddy - Chairman
- Sri Vithaldas Agarwal - Member
- Sri Mahender Kumar Agarwal - Member.

Average Net profits of last three Financial Years.

Net Profits for the preceding three Financial year	2011-12 (₹)	2012-13 (₹)	2013-14 (₹)
	6,55,64,000/-	11,87,32,000/-	13,45,53,000/-
Average	10,62,83,000/-		
Prescribed CSR Expenditure (2% of Average Net profits)	21,25,660/-		

The company has spent ₹ 21,88,996/- on the identified areas as approved by the Board for the Financial Year ended 31st March, 2015. The details are as below.

S. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programs 1) Local area or other 2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or program subheads (1) direct expenditure on projects or programs (2) overheads	Cumulative expenditure upto the reporting period	Amount spent direct or through implementing agency
1.	Promoting education, including special education and employment enhancing vocational skills among children and women.	Education Telangana	Mahabubnagar,	13,50,000	13,25,400	13,25,400	Direct
2.	Eradicating hunger and poverty and malnutrition and sanitation and making available safe drinking water	Sanitation Telangana.	Mahabubnagar,	8,50,000	8,63,566	8,63,566	Direct

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

Vithaldas Agarwal
Managing Director

R. Surrender Reddy
Chairman
CSR Committee

**Secretarial Audit report
Form No. MR-3**

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015

[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, I Floor, 105, Sardar Patel Road,
Secunderabad, Telangana - 500003.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Suryalata Spinning Mills Limited** (hereinafter called "the company"). 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 Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2015 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 2015 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (**Not applicable to the Company during the Audit Period**);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28 October 2014; (**Not applicable to the Company during the Audit Period**)

- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not applicable to the Company during the Audit Period)**;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the Company during the Audit Period)**; and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not applicable to the Company during the Audit Period)**.
- (vi) Relying on the representation given by the Company and its officers with regard to the Other laws applicable specifically to the Company and its Compliance and the limited review done by us, we opine that the Company has generally complied with the following laws to the extent specifically applicable the company:
- The Textiles Committee Act, 1963;
 - Textiles (Development & Regulation) Order, 2001;
 - Textiles (Consumer Protection) Regulation, 1988;
 - Technology Up-gradation fund scheme
 - Foreign Trade Policy 2009-14 & 2015-2020
 - Hank yarn notification issued under Essential Commodities Act, 1955

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India **(Not applicable to the Company during the Audit Period)**;
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, subject to the following observations/qualifications

1. The Company has appointed Mr. K. Nageswara Rao as Chief Financial Officer of the Company with effect from 6th August, 2014 in the board meeting held on even date, however pursuant to the provisions of Section 203 of the Companies Act, 2013 read with rule 8 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company is required to appoint Chief Financial Officer of the Company with effect from 01st April, 2014.
2. The Company has appointed Ms. M. Prameela Rani as the Whole Time Company Secretary of the Company with effect from 6th November, 2014 in the board meeting held on even date, however pursuant to the provisions of Section 203 of the Companies Act, 2013 read with rule 8 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company is required to appoint Whole Time Company Secretary of the Company with effect from 01st April, 2014.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive

Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice of at least seven days is given to all directors to schedule the Board Meetings, the agenda and detailed notes on agenda were generally sent in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

Relying on the representation given by the Company and its officers with regard to adequate systems and processes in the Company to monitor and ensure the Compliance with applicable laws, rules, etc., and based on the review done by us, we report that there are systems and processes to monitor and ensure compliance with applicable laws, rules, regulations and guidelines and there is need for its improvement for its adequacy.

We further report that during the audit period, the Company has;

- i. Floated a wholly owned subsidiary and invested a sum of ₹ 1,00,000/- (Rupees One Lakh only) in YP Solar Power Private Limited (Wholly owned subsidiary), by way of subscription to 10,000 (Ten Thousand only) Equity shares of ₹ 10/- each.

- ii. Issued 6,00,000 (Six Lakh Only) Equity shares of ₹ 10/- each (Rupees Ten only) at an issue price of ₹ 130/- (Rupees One Hundred Thirty only) each aggregating to ₹ 7,80,00,000/- (Rupees Seven Crores Eighty Lakhs only) on preferential basis to promoter & promoter group of the Company.
- iii. Made early redemption of 5,86,484 (Five Lakh Eighty Six Thousand Four Hundred and Eighty Four) Cumulative Redeemable Preference shares of ₹ 100/- (Rupees Hundred only) each at par aggregating to ₹ 5,86,48,400/- (Rupees Five Crores Eighty Six Lakhs Fourty Eight Thousand and Four Hundred only) held by promoter & promoter group.
- iv. Increased the borrowing limits of the company upto an amount of Rs 200 Crores under Section 180 (1) (C) of the Companies Act, 2013

**For and Behalf of
R & A Associates**

**R. Ramakrishna Gupta
Partner**

FCS No.: 5523

C P No.: 6696

101 Saptagiri Residency, 1-10-98/A
Chikoti Gardens, Begumpet
Hyderabad-500 016, Telangana.

Date : 12th August, 2015

Place: Hyderabad

This report is to be read with our letter of even date, which is annexed as “Annexure – A” and forms an integral part of this report

To,
The Members,
Suryalata Spinning Mills Limited,
Surya Towers, I Floor, 105, Sardar Patel Road,
Secunderabad, Telangana - 500003.

Our report of even date is to be read along with this letter:

1. Maintenance of secretarial records is the responsibility of the management of **Suryalata Spinning Mills Limited** ("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 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 our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever 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 and Behalf of R & A Associates

R. Ramakrishna Gupta

Partner

FCS No.: 5523

C P No.: 6696

101 Saptagiri Residency, 1-10-98/A,

Chikoti Gardens, Begumpet,

Hyderabad – 500 016, Telangana.

Date : 12th August, 2015

Place : Hyderabad

Annexure-V

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, 2015.

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, compressor, conducted regular energy audit and taken immediate steps to curtail power consumption. |
| (ii) The Steps taken by the Company for utilising alternate sources of Energy | : | NIL |
| (iii) The Capital Investment on energy conservation equipments | : | NIL |

B. 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 development, increase in yield and quality has resulted increase in turnover. |
| (iii) in case of imported technology (imported during the last three years reckoned from the beginning of the Financial year) | : | No technology has been imported during the last five years. |
| (a) The details of technology imported | : | Nil |
| (b) The year of import | : | Not applicable |
| (c) Whether the technology been fully Absorbed | : | Not applicable |
| (d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof; | : | Not applicable |
| (iv) the expenditure incurred on Research and Development Efforts | : | Nil |

C. Foreign exchange earnings and outgo

- | | | |
|--|---|--|
| 1. Activities relating to exports, initiatives taken to increase exports, development of new export markets for production, service, and export plans. | : | Exports exploration activities mainly include development of exports to new markets and increasing exports to traditional markets. |
|--|---|--|

SURYALATA SPINNING MILLS LIMITED

2. Total foreign exchange used and earned : (Figures in ₹ Lakhs)

	2014-15	2013-14
(i) Foreign Exchange earned		
FOB Value of Exports	4026.11	6012.82
(ii) Foreign Exchange Used		
Import of Capital Goods	286.21	Nil
Raw materials	413.53	Nil
Spares	73.54	58.79
Foreign Travel	7.63	13.20
Commission on export sales	35.91	72.93

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

R Surender Reddy
Chairman
DIN:00083972

Place : Secunderabad
Date : 12th August, 2015

Corporate Identification Number: **L18100TG1983PLC003962**

Registered Office:

Surya Towers, 1st Floor, 105
Sardar Patel Road, Secunderabad - 500003
Tel: 040-27774200
Fax: 040-27846859
Email: cs@suryalata.com
Website : www.suryalata.com

CORPORATE GOVERNANCE REPORT
Annexure-VI
COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

The Company believes that high standards of Corporate Governance are the critical to ensure the business success. We feel proud that we have laid a strong foundation stone for good governance long back. The Company has always believed in conducting its affairs in a fair and transparent manner and in maintaining the highest ethical standards in its dealings with all its constituents. Suryalata 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 and in meeting the objectives of enhancing value of the Company to its stakeholders and to provide good management. The Company endeavors to achieve optimum performance at all levels of management by adhering to good corporate governance practices, namely, the following:

1. Fair and transparent business practices.
2. Effective management control by Board.
3. Adequate representation of promoter, executive and independent Directors on the Board.
4. Monitoring of executive performance by the Board.
5. Compliance of laws.
6. Transparent and timely disclosure of financial and management information.

BOARD OF DIRECTORS
a) Composition, category of Directors and attendance record for the year 2014 - 15.

The Companies Act, 2013 and Revised Clause 49 of the listing agreement with the stock exchanges govern the composition of the Board of Directors. The Board comprises a combination of Executive and Non Executive Directors. Presently it consists of Eight Directors out of which Four are Executive Directors and Four are Non-Executive Independent Directors. The Company has Non-Executive Chairman. Non-Executive Directors bring independent views and judgment in the decision making process of the Board.

Constitution of the Board and participation of Directors at meetings of the Board during the year 2014-15.

Name of the Director	Category	Board Meetings Attended	Attendance at last AGM held on 6th August, 2014
Sri R. Surender Reddy	Non-Executive Independent	4	Absent
Sri K. Lakshmikanth Reddy	Non-Executive Independent	5	Present
Sri R. S. Agarwal	Non-Executive Independent	3	Present
Sri K. R. Suresh Reddy	Non-Executive Independent	3	Present
Sri Vithaldas Agarwal	Executive/Promoter	5	Present
Sri Mahender Kumar Agarwal	Executive/Promoter	5	Present
Sri Yash Agarwal*	Executive Director	2	Present
Smt. Madhavi Agarwal**	Executive Director	4	Present
Sri K. K. Sinha	Executive Director	4	Present

- * Sri Yash Agarwal ceased from the position of Whole Time Director and Director due to the untimely death on 5th October, 2014.
- ** Smt. Madhavi Agarwal has been appointed as Executive Director with the designation as Whole -Time director on the Board of the Company with effect from 6th November, 2014.

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

Name of the Director	Other Directorships	Committee Membership	Committee Chairmanship
Sri R. Surender Reddy	6	4	3
Sri K. Lakshmikanth Reddy	Nil	Nil	Nil
Sri R. S. Agarwal	8	2	3
Sri K. R. Suresh Reddy	Nil	Nil	Nil
Sri Vithaldas Agarwal	Nil	Nil	Nil
Sri Mahender Kumar Agarwal	2	Nil	Nil
Sri Yash Agarwal	Nil	Nil	Nil
Smt. Madhavi Agarwal	Nil	Nil	Nil
Sri K. K. Sinha	Nil	Nil	Nil

c) Number of Board meetings held and their dates.

Five (5) Board meetings were held during the year on the following dates:

12th May, 2014, 6th August, 2014, 6th November, 2014, 5th February, 2015 and 14th March, 2015.

d) Re - appointment of Directors.

- Sri Mahender Kumar Agarwal aged about 51 years, has done a degree in the bachelor of commerce. He is the promoter Director of the Company and has been associated with the Company since 1991. He is from the family experienced in textile business over 5 decades. He is having vast experience in textile Industry of about 30 years and a very good past record of Management of the Company.

He is taking care of production, administration and other operational affairs of the Company.

Sri Mahender Kumar Agarwal, Joint Managing Director of the Company will retire at the 32nd Annual General Meeting of the Company and, being eligible, offers himself for re-appointment.

Further the tenure of Sri Mahender Kumar Agarwal as Joint Managing Director of the Company is upto 31st December, 2015. Hence Members Resolution is being sought for his re-appointment as Joint Managing Director of the Company for a further period of 5 years i.e. from 1st January, 2016 to 31st December, 2020.

Presently he is a Director in the following Companies:

- Nucam Builders Private Limited
 - Nucam Constructions & Estates Private Limited
 - YP Solar Power Private Limited
 - Telangana Spinning Mills & Textiles Association
- Smt. Madhavi Agarwal, aged about 47 years is a commerce graduate from Sydenham College of Commerce, Mumbai 1985. She is a member of Deepshikha Mahila Club, (a non government organization) since 2004. She is from the family with over more than 5 decades of experience in

textile industry. She is the promoter director of the Company. She was appointed as the Director of the Company in the 31st Annual General Meeting held on 6th August, 2014.

She has been taking care of overseas marketing and other operational and administrative affairs of the Company. Smt. Madhavi Agarwal has not been a director in any other Company .

e) Code of Conduct

In pursuance with the Sub - Clause (E) of Clause 49 of the Listing Agreement, the Company has adopted a Code of Conduct for all Board Members and Senior Management Personnel of the Company. The Code of Conduct has been made available on companies website, www.suryalata.com.

All the members of the Board and Senior Management personnel have affirmed their compliance with the Code of Conduct. A declaration regarding the Code of Conduct's Compliances has been given at the end of the Corporate Governance Report, signed by the Chairman & Independent Director.

AUDIT COMMITTEE

a) Brief description of terms of reference

1. Oversight of the company's financial reporting process and disclosure of financial information.
2. Review of quarterly, half yearly and annual financial statements.
3. Recommending the appointment and removal of external Auditors and fixing of their remuneration.
4. Review the adequacy of internal control systems and internal audit functions.
5. Review of Company's financial and risk management policies.

b) Composition, names of the members and Chairman

In compliance with Clause 49 of the listing agreement 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:

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

c) Meetings and Attendance during the year

During the year 2014 - 15, four Audit Committee meetings were held on 12th May, 2014, 6th August 2014, 6th November 2014 and 5th February 2015. The attendance of each member of the Committee is given below:

Sl. No.	Name of the Member	Number of Meetings attended
1.	Sri R Surender Reddy	3
2.	Sri K. R. Suresh Reddy	3
3.	Sri R. S. Agarwal	2

NOMINATION AND REMUNERATION COMMITTEE

a) Brief description of terms of reference

To formulate a remuneration policy and approve the remuneration or revision in the remuneration payable to the Directors, Key Managerial personnel, and senior Management of the Company.

b) Composition, names of the members and Chairman

In compliance with Clause 49 of the listing agreement and section 178 of the Companies Act, 2013, the Board of Directors of the Company has constituted an Nomination and Remuneration Committee comprising of the following three Non-Executive Independent Directors:

Sl. No.	Name of the Member	Designation
1.	Sri K. R. Suresh Reddy	Chairman
2.	Sri R. S. Agarwal	Member
3.	Sri K. Lakshmikanth Reddy	Member

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

c) Meetings and Attendance during the year

During the year 2014 - 2015, Two Nomination and Remuneration Committee meetings were held on 6th August, 2014, 6th November 2014. The attendance of each member of the Committee is given below:

S.No.	Name of the Member	Number of Meetings attended
1.	Sri K. R. Suresh Reddy	2
2.	Sri R. S. Agarwal	1
3.	Sri K. Lakshmikanth Reddy	2

d) Remuneration policy

Brief description of the Policy

- The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his/her appointment.
- A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
- The Company shall not appoint or continue the employment of any person as Whole time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

Remuneration

- The Remuneration of Directors should be in accordance with the provisions of the Companies Act, 2013 read with Schedule-V of the companies Act, 2013 as amended from time to time.
- To ensure that the level and components of remuneration is reasonable and sufficient to attract, retain and motivate Directors, KMP and other employees of the quality required to run the Company successfully.
- No director/KMP/ other employee are involved in deciding his or her own remuneration.
- The trend prevalent in the similar industry, nature and size of business are kept in view and given due weightage to arrive at a competitive quantum of remuneration.
- It is to be ensured that relationship of remuneration to the performance is clear & meets appropriate performance benchmarks which are unambiguously laid down and communicated.

- Improved performance should be rewarded by increase in remuneration and suitable authority for value addition in future.
- Remuneration packages should strike a balance between fixed and incentive pay, where applicable, reflecting short and long term performance objectives appropriate to the Company's working and goals.
- Provisions of all applicable laws with regard to making payment of remuneration to the Board of Directors, KMP and Senior Management, as may be applicable from time to time, shall be complied.
- Whenever, there is any deviation from the Policy, the justification/reasons should also be indicated/disclosed adequately.

e) Details of remuneration paid to Directors

Details of remuneration paid to Managerial Persons of the Company during the year 2014-15 is given below:

Sri Vithaldas Agarwal - Managing Director				
Salary (including HRA) (₹)	Perquisites (₹)	Commission (₹)	Contribution to PF (₹)	Total (₹)
33,00,000	Nil	39,88,595	Nil	72,88,595

Sri Mahender Kumar Agarwal - Joint Managing Director				
Salary (including HRA) (₹)	Perquisites (₹)	Commission (₹)	Contribution to PF (₹)	Total (₹)
33,50,640	5,20,424	39,88,595	16,500	78,76,159

Sri Yash Agarwal - Executive Director				
Salary (including HRA) (₹)	Perquisites (₹)	Commission (₹)	Contribution to PF (₹)	Total (₹)
10,24,897	1,53,700	Nil	7,500	11,86,097

Smt. Madhavi Agarwal - Executive Director				
Salary (including HRA) (₹)	Perquisites (₹)	Commission (₹)	Contribution to PF (₹)	Total (₹)
8,45,833	Nil	Nil	9,000	8,54,833

Details of Sitting Fees paid to the Non-Executive Directors for attending Board and Committee meetings during the financial year 2014-15 is given below:

Sl. No.	Name of the Director	Sitting Fees paid (₹)
1.	Sri R. Surender Reddy	31,000
2.	Sri K. Lakshmikanth Reddy	29,000
3.	Sri R S Agarwal	23,000
4.	Sri K R Suresh Reddy	36,000
5.	Smt. Madhavi Agarwal	4,000

STAKEHOLDERS RELATIONSHIP COMMITTEE
a. Brief Description

The scope of the committee shall include considering and resolving the grievances of the security holders of the company

b. Composition and brief terms of reference

The Committee consists of the following Directors.

S. No.	Name of the Member	Designation
1.	Sri K. R. Suresh Reddy	Chairman
2.	Sri Vithaldas Agarwal	Member
3.	Sri Mahender Kumar Agarwal	Member

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

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

c. Name and designation of the Compliance Officer

Smt. Prameela Rani M - Company Secretary appointed as Company Secretary cum Compliance Officer of the Company w.e.f. 6th November, 2014.

d. Number of Shareholders complaints received during the year : 9
e. Number of Shareholders complaints not resolved to the satisfaction of shareholders : Nil
f. Number of pending share transfers : Nil
GENERAL BODY MEETINGS
1) Location, date and time for last three Annual General meetings are:

Financial year	Date	Venue	Time
2013-14	6th August, 2014	Kamat Lingapur Hotel, 1-10-44/2, Chikoti Gardens, Begumpet, Hyderabad - 500 016	10.30 A.M.
2012-13	10th August, 2013	Kamat Lingapur Hotel, 1-10-44/2, Chikoti Gardens, Begumpet, Hyderabad - 500 016	10.30 A.M.
2011-12	12th September, 2012	Kamat Lingapur Hotel, 1-10-44/2, Chikoti Gardens, Begumpet, Hyderabad - 500 016	10.15 A.M.

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

Date	No. of Special Resolutions Passed	Particulars of the Special Resolution
6th August, 2014	5	1. Re-appointment of Sri Vithaldas Agarwal Managing Director for a period of five years with effect from 1st July, 2014 to 30th June, 2019.
		2. Alteration of Clause V of Memorandum of Association of the Company for Re-Classification of Authorized Share Capital of the Company.
		3. Alteration of sub-clause (i) of Article 3 of the Articles of Association of the Company for Re-Classification of Authorized Share Capital of the Company.
		4. Further issue of Preference Shares of the Company.
		5. Sanction of borrowing limits upto ₹ 200 Crores under Section 180 (1) (c) of the Companies Act, 2013.
10th August, 2013	3	1. Revision of remuneration Sri Mahender Kumar Agarwal as the Joint Managing Director of the Company for a period of 3 years.
		2. Revision of remuneration of Sri Vithaldas Agarwal, Managing Director of the Company for a period of 3 years.
		3. Revision of remuneration of Sri Yash Agarwal, Executive Director of the Company for a period of 3 years.
12th September, 2012	Nil	Nil

Details of Extra-Ordinary General Meetings held during the Financial Year.

Date	Venue	Time
Nil	Nil	Nil

2. Whether special resolutions were put through postal ballot last year, details of voting pattern

Special Resolution was passed pursuant to postal ballot notice dated 5th February, 2015 to accord the consent of Members for further issue of 6,00,000 Equity Shares on Preferential basis.

Promoters / Public	No. of Shares held (1)	No. of Votes Polled (2)	% of Votes Polled on Outstanding Shares (3)=[2/1]*100	No. of Votes in favour (4)	No. of Votes in against (5)	% of votes in favour on votes polled (6)=[4/2]*100	100 % of votes against on votes polled (7)=[5/2]*100
Promoter and Promoter Group	2402310	2321180	96.62	2321180	0	100	0
Public Institutional Holders	1086	0	0	0	0	0	0
Public Others	1263604	70608	5.58	51976	3457	73.61	4.89
Total	3667000	2391788	65.22	2373156	3457	99.22	0.14

The Board has appointed Sri R Ramakrishna Gupta, Partner, R & A Associates, Practicing Company Secretaries, Hyderabad as Scrutinizer to conduct the Postal Ballot voting process in a fair and transparent manner.

The procedure for Postal Ballot is as per Section 110 of the Companies Act, 2013 read with Rule 22 of Companies (Management and Administration) Rules, 2014.

The Scrutinizer has submitted report to the Chairman stating that the resolution has been duly passed by the members of the Company with requisite majority.

DISCLOSURES

- a) Disclosures on materially significant related party transactions, that may have potential conflict with the interest of the company at large:

During the year under review, the Company had not entered into any material transaction with any of its related parties.

The Company has formulated a policy on materiality of Related Party Transactions and also dealing with Related Party Transactions. Transactions with related parties are disclosed at point no. g of the note 25 forming part of the financial statements.

- b) Details of non-compliance by the Company, penalties, strictures imposed on the Company by the Stock Exchanges or Securities and Exchange Board of India (SEBI) or any other statutory authority on any matter related to the Capital Markets during the last 3 years: **Nil**
- c) The Board of Directors of the Company had adopted the Whistle Blower Policy. Employees can report the Management concerned unethical behavior, act suspected fraud or violation of the Company's Code of Conduct policy. None of the personnel has been denied access to the audit Committee.
- d) The Company has submitted the compliance report on Corporate Governance within the prescribed time pursuant to the Listing Agreement.
- e) CEO and CFO Certificate :

Sri Vithaldas Agarwal, Managing Director and Sri K. Nageswara Rao, Chief Financial Officer have given a Certificate to the Board of Directors as contemplated in clause 49 of the listing agreement and the same is disclosed at the end of this Report.

MEANS OF COMMUNICATION

- a) **Quarterly Results sent to each household of shareholders**

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

- b) **Newspapers in which Quarterly results normally published**

The Quarterly results are normally published in Business Standard (English Daily, Hyderabad & Mumbai) and Andhra Prabha (Telugu Daily).

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

Official news releases along with quarterly results are displayed on the Company's Website: **www.suryalata.com**

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

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

e) General Shareholder Information
a) Annual General Meeting

Date : **21st September, 2015**
 Time : **10.30 A.M.**
 Venue : **Kamat Lingapur Hotel, 1-10-44/2,
 Chilkoti Gardens, Begumpet, Hyderabad - 500 016**

b) Financial Calendar : 1st April to 31st March.

c) Date of Book closure : **15th September, 2015 to 21st September, 2015.**
(Both days inclusive).

d) Dividend Payment Date : Within 30 days from the date of Annual General meeting.

e) Listing on Stock Exchanges : Bombay Stock Exchange Limited.

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

Name and Address of the Stock Exchange	Scrip Code
Bombay Stock Exchange Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal street, Mumbai - 400 001.	5 1 4 1 3 8

The listing fee for the year 2015 - 16 has been paid to the Stock Exchange.

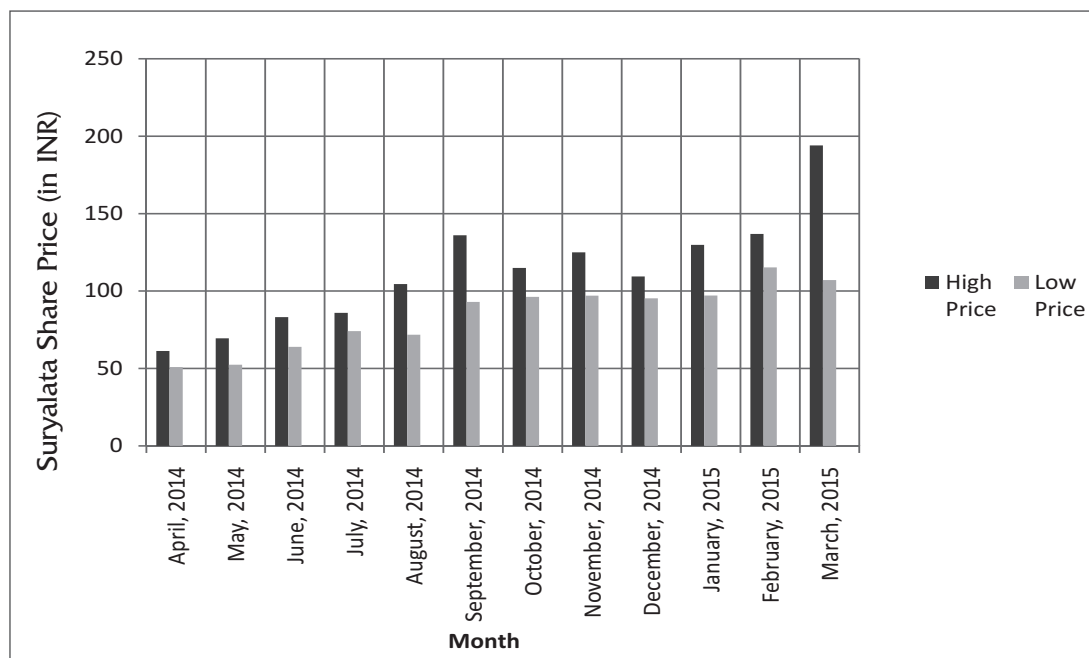
f) Market Price Data

High, low during each month in last financial year and performance in comparison to broad based indices such as BSE Sensex, etc.

Company's shares are being traded on BSE only and the high and low prices during each month are given below

(in ₹)

MONTH	HIGH	LOW
April, 2014	61.30	50.85
May, 2014	69.50	52.40
June, 2014	83.15	64.00
July, 2014	85.90	74.10
August, 2014	104.50	71.80
September, 2014	136.00	93.00
October, 2014	114.95	96.25
November, 2014	125.00	97.00
December, 2014	109.40	95.30
January, 2015	129.80	97.10
February, 2015	136.90	115.30
March, 2015	194.00	107.10



g) Stock Performance in Comparison to broad-based indices such as BSE Sensex

The Share Price of the Company has been moving with the trends of indices

(in ₹)

MONTH	Share Price in BSE		BSE - Sensex	
	HIGH	LOW	HIGH	LOW
April, 2014	61.30	50.85	22,939.31	22,197.51
May, 2014	69.50	52.40	25,375.63	22,277.04
June, 2014	83.15	64.00	25,725.12	24,270.20
July, 2014	85.90	74.10	26,300.17	24,892.00
August, 2014	104.50	71.80	26,674.38	25,232.82
September, 2014	136.00	93.00	27,354.99	26,220.49
October, 2014	114.95	96.25	27,894.32	25,910.77
November, 2014	125.00	97.00	28,822.37	27,739.56
December, 2014	109.40	95.30	28,809.64	26,469.42
January, 2015	129.80	97.10	29,844.16	26,776.12
February, 2015	136.90	115.30	29,560.32	28,044.49
March, 2015	194.00	107.10	30,024.74	27,248.45

h) Registrar & Transfer Agents

M/s. Karvy Computershare Private Limited
 Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District,
 Nanakramguda, Serilingampally, Hyderabad - 500 032.
 Phone No. : 040 - 6716 1500 Fax No.040 - 2342 0814.
 E-Mail: einward.ris@karvy.com., www.karvycomputershare.com.

i) Share Transfer System

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

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

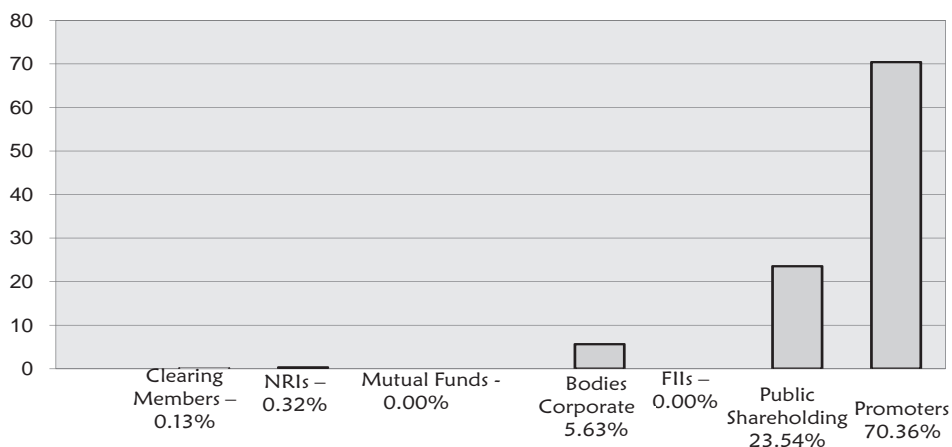
In terms of SEBI circular No. D&CC/FITC/CR-16 dated 31-12.2002, Secretarial Audit is conducted on a quarterly basis by a practicing Company secretary for the purpose of, inter alia, reconciliation of the total submitted equity share capital with the depositories and in the physical form with the total issued/paid up equity capital of the Company. Certificates are placed before the Board of Directors and are also forwarded to Bombay Stock Exchange Limited, where the shares of the Company are listed.

j) Distribution schedule and shareholding pattern as on 31st March 2015.
(1) Distribution of Shareholding as on 31st March, 2015.

Nominal Value	Shareholders		Share Amount	
	Holders	%	Amount	%
Upto 5000	3307	91.86	349934	8.20
5001 - 10000	157	4.36	121144	2.84
10001 - 20000	61	1.69	89375	2.09
20001 - 30000	21	0.58	50200	1.18
30001 - 40000	12	0.33	42930	1.00
40001 - 50000	6	0.17	28552	0.66
50001 - 100000	14	0.39	99647	2.34
100001 & above	22	0.61	3485218	81.68
TOTAL	3600	100.00	4267000	100.00

2. Shareholding Pattern as on 31st March, 2015

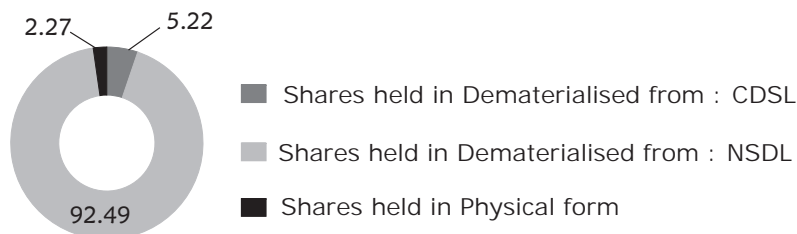
Category of Shareholder	No. of Share Holders	Total No. of shares	%
Promoter's Holding			
Indian Promoters	5	3002310	70.36
Foreign Promoters	0	0	0
Total Promoter's Holding (A)	5	3002310	70.36
Public Shareholding			
Institutional Investors			
Mutual Funds	2	96	0.00
Financial Institutions/Banks	2	990	0.03
Foreign Institutional Investors	0	0	0
Foreign Companies	0	0	0
Any Other	0	0	0
Non - Institutional Investors			
Bodies Corporate	114	240159	5.63
Individuals			
Holding share capital up to ₹ 1 lakh	3415	692893	16.24
Holding share capital in excess of ₹ 1 Lakh	16	311535	7.30
Others			
Non Resident Individuals	37	13603	0.32
Overseas Corporate Bodies	0	0	0
Trusts	0	0	0
Clearing Members	9	5414	0.13
Total Public Shareholding (B)	3595	1264690	29.64
Shares held by Custodian against Depository Receipts (C)	0	0	0
TOTAL (A+B+C)	3600	4267000	100



K) Dematerialization of Shares & Liquidity

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

As on 31st March, 2015, **41,69,730 Equity shares** were dematerialized representing **97.72%** of the total paid up equity share capital of the Company. The ISIN allotted to the company's scrip is **INE132C01027**. The shares of the Company are actively traded at Bombay Stock Exchange Limited, Mumbai.


L) Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on Equity: NIL
m) Plant Locations:

- | | |
|---|---|
| i) Marchala Village,
Kalwakurthy Mandal,
Mahabubnagar District
Telangana
Pin Code: 509 320. | ii) Urukondapet Village,
Kalwakurthy - Mahabubnagar Road,
Midjil Mandal,
Mahabubnagar District,
Telangana. Pin Code: 509 320. |
|---|---|

n) Address for Correspondence :

- | | |
|---|---|
| 1. For transfer/dematerialization of shares, change of address of members and other queries relating to the shares of the company:

M/s. Karvy Computershare Private Limited
Karvy Selenium Tower B, Plot 31-32, Gachibowli,
Financial District, Nanakramguda, Serilingampally,
Hyderabad - 500 032 .
Phone No.: 040 - 6716 1500
Fax No.040 - 2342 0814.
E-Mail: einward.ris@karvy.com.
www.karvycomputershare.com | 2. Any queries relating to dividend, annual reports, etc.,
The Compliance Officer,
Smt. Prameela Rani M
Company Secretary
Suryalata Spinning Mills Limited
Surya Towers, 1st Floor, 105,
Sardar Patel Road,
Secunderabad - 500 003. Telangana.
Phone No. : 040-27819908/
27819909/27774200
Fax No. : 040-27846859.
E-mail : cs@suryalata.com |
|---|---|

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

Place : Secunderabad
Date : 12th August, 2015

R. Surender Reddy
Chairman
DIN 00083972

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

We, Vithaldas Agarwal, Managing Director and K Nageswara Rao, 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, 2015 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 controls 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, 2015

Vithaldas Agarwal
Managing Director

K Nageswara Rao
Chief Financial Officer

MANAGEMENT DISCUSSION AND ANALYSIS

MANAGEMENT DISCUSSION AND ANALYSIS

ORGANISATION - PROFILE

Suryalata Spinning Mills Limited is one of the largest producers of Synthetic blended Yarns. The company produce 100% PSF, 100% VSF, Mélange, P/V blended yarns with counts ranging from 8s to 60s. The company is having two manufacturing units at Kalwakurthy and Urukondapet- Jadcherla Road, only an hour away from the Hyderabad International Airport and the distance between the units is 5 Kms. The Company had total installed capacity of 93,264 spindles, Kalwakurthy unit has an installed capacity of 36,288 spindles with a production capacity of 30MT's per day and Urukondapet unit has an installed capacity of 56,976 spindles with a production capacity of 45MT's per day. Both the manufacturing units are certified "ISO 9001:2008".

INDUSTRY STRUCTURE AND DEVELOPMENT

GLOBAL ECONOMY

The global economy is set for a modest growth of 3.5% in 2015, as against 3.4% in 2014, and IMF forecasts global growth to rise moderately to 3.8% in 2016. The US economy is poised to grow strongly, exceeding expectations on account of domestic demand, supported by the upward trend in the US economy in 2014. The UK is well on its way to recovery. The major exporting countries like Pakistan and Bangladesh are facing geo-political issues. In this scenario all major export markets like USA, Europe, Japan and Australia are increasingly looking to shift a large portion of their sourcing pie. India is well placed to fill this gap since its entire major costs like cotton, yarn, power, wages, dyes and chemicals are today globally competitive. In addition, the government also has been supportive for the industry and in order to unlock the complete potential of India, more efforts are needed from the industry as well as the government.

INDIAN ECONOMY

The year under review was a challenging one. In 2014-15, Indian economy grew at 7.3% (GDP at market prices). However, with decline in oil and commodity prices aiding in lower current account deficit and inflation, the Indian economy is expected to grow as per World Bank Report by 7.5 percent in 2015-16, 7.9 percent in the next fiscal and 8 percent in 2017-18. With fiscal deficit at below 4%, and current account deficit at 1.6% of GDP, India's macroeconomic fundamentals are healthy.

Indian Textiles Industry has an overwhelming presence in the economic life of the country. Apart from providing one of the basic necessities of life, the textile industry also plays a pivotal role through its contribution to industrial output, employment generation and export earnings of the country.

India, being 2nd largest textile manufacturer in the world accounts for 63% of world's market share in textiles and garments. With 50 million spindles accounting for 24% world's Spindles, India is one of the world's leading and most cost efficient producers of the spun yarn. India's textiles and clothing industry is one of the mainstays of the national economy. The textiles industry is the most labour intensive industry employing 45 million people. This sector contributes 13% of the country's export earnings. Also, 14% of industrial production and 4% of GDP evolve from textile industry. India is major exporting country as far as textile sector is concerned and not dependent on import.

In furtherance, 'Make in India' is an initiative program of the Government of India to encourage companies to manufacture their products in India was embarked by Prime Minister Sri Narendra Modi on 25 September 2014. Textile sector is one of those 25 sectors wherein high hopes to increase GDP growth and revenue is laid on. At present, the Government of India allows 100% foreign direct

investment (FDI) under the automatic route in the textile sector, subject to all applicable regulations and laws, to espouse the make in India program for the textile and garment industry. Investment opportunities for foreign companies and entrepreneurs are now made available across the entire value chain of synthetics, value-added and specialty fabrics, fabric processing set-ups for all kinds of natural and synthetic textiles, technical textiles, garments, and retail brands.

India is the fastest growing market and is expected to become the 3rd biggest apparel market in the world by 2025 with a total market size of around USD 500 billion as per the CII report. The domestic market is projected to go up from USD 68 billion in 2013 to USD 315 billion in 2025, and the export market is projected to grow from USD 40 billion to USD 185 billion in 2025. The segments contributing in the growth is likely to be from technical textiles and apparels. India has a potential to double its market share in global trade from 5% to 10% by 2025.

TUFS-Technology Upgradation Fund Scheme

TUFS was introduced in April, 1999 to catalyze investments in all the sub-sectors of textiles and jute industry by way of 5% interest reimbursement. The scheme was initially approved from April, 1999 to March 31st, 2004. Subsequently, the scheme was extended in 2004 and again in 2007 with modifications and further restructured w.e.f. 28-04-2011 to 31-03-2012 which was then further extended/rolled over upto 31-03-2013. Since the earmarked subsidy cap of ₹ 1972 crores was not fully utilized and to avoid any hiatus as the 12th Plan TUFS proposals were not finalized, the Ministry of Textiles in accordance with Ministry of Finance, Department of Expenditure, Plan Finance - II allowed extension of R-TUFS into the first year of 12th Plan to the extent of availability of unutilized subsidy cap. The Restructured TUFS and its continuation in the 12th Plan has attracted an investment of ₹ 37,655 crores as per the details

in the UID application. In the present scenario, ₹ 1,520 Crore was allocated to the flagship scheme of Technology Upgradation Scheme (TUFS) in the union budget of 2015-16.

SWOT Analysis

STRENGTHS

The economy is rapidly growing and one can observe potential international and domestic market. Good reputation in the market due to quality and timely supplies. Emphasis on quality of product is nurtured across the company. The company has established strong presence in the market for several years. Raw material being easily accessible contributes in controlling the costs and minimizes the operational effort. The industry has an added advantage of having numerous segments which help in the provision of a huge variety of products.

WEAKNESS

There is disadvantage in the form of increased power tariff, power shortages, other input costs, unstable government policies towards the exports, etc. Lack of economies of scale is a major issue in Indian textile and apparel manufacturing sector. Countries like China and Bangladesh have developed large production set-ups, whereas smaller units, which lack economies of scale and have a low level of technology, dominate the Indian textile sector. Due to lack of large manufacturing capacities Indian manufacturers are unable to cater to large orders and become globally competitive.

OPPORTUNITIES

In view of raising population, sustained increase in per capita income and disposable surplus, favorable demographic profile and changing lifestyle, India is poised for health growth. Government of India is becoming increasingly sensitive to the needs of textile industry and taking necessary measures in regard to debt restructuring

scheme, extension of TUFs and TMC in the Twelfth Five Year Plan, etc. These positive factors indicate extreme bright and positive future for the healthy growth of the Indian Textile industry and provide ample opportunities to the company.

The state industrial policy also providing subsidies and incentives like power rebate of ₹ 1 per unit, 4% interest subsidy on Project Term Loans, Reimbursement of Sales tax paid for a period of 7 years, and Waiver of stamp duty paid on land purchased for unit.

THREATS

1. Slow pace of development of infrastructure, availability of power etc.
2. High cost of meeting strict environmental standards.
3. Competitor countries like China produce cheap and good quality crafts.
4. Preferential tariff regimes for close competitors in certain major markets.
5. Continuation of recessive trends for an extended period will cast its long shadow on textiles industry.

RISKS AND CONCERNS

In 2014-15 double digit inflation has increased rapidly and touched record highs. Usually, growing inflation dampens consumer demand for household goods, including textiles and apparels. If India's inflation continues to stay at such a level, there is a risk that domestic sales would be negatively impacted. We suffer on account of poor infrastructure, high transaction cost, not so favorable labour laws, increased power tariff and fuel cost, uncertainty in the government policies, etc. Structural weaknesses need to be addressed particularly in the wake of growing threat from China and other countries.

PRODUCT WISE PERFORMANCE

Polyster markets faced challenges during the year as feedstock volatility was accentuated by capacity additions, which were significantly ahead of demand growth. As with other hydrocarbon chains, prices for feedstock and final products witnessed a steep decline during the year.

During the financial year 2014-15 the company has produced 15762.975 MTS quantity of Polyster and 8387.617 MTS of Polyster Viscose.

OUTLOOK

The economy is on the path of recovery and the Company expects good demand for its products in domestic as well as international markets. Major markets for Indian Textile and Clothing (T&C) export are the USA, Germany, Italy, Portugal, Spain, Switzerland, U.K. Belgium, and other European countries, Argentina, Brazil, Turkey, Per, Chile and other south American Countries, Egypt, Kenya, Morocco and other African countries. The domestic market is also on the path of healthy growth because of the fact that few manufacturing facilities operating abroad have closed down due to recession. The home-textiles and garment segments are reflecting sound growth both in the domestic and international markets due to good demand of apparels. There is a substantial scope for further growth in these segments. Your Company believes that the competition in the emerging markets will be met by developing production systems based on cost efficiency, high productivity, quality assurance, etc.,

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has a well established framework of internal controls in all areas of its operations, including suitable monitoring procedures and competent personnel. 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 Audit Committee is headed by an Independent Director and this ensures independence of functions and transparency of the process of supervision. 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 and in compliance with the laws and regulations that govern its business.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The Net turnover of your Company for the Financial Year 2014-15 was ₹ 36,541 Lakhs in comparison to the ₹ 35,011 Lakhs in the previous year. The production during the year was 24151 MTS in comparison to 21708 MTS previous year.

Your Company has earned a Profit Before Tax of ₹ 1917 Lakhs in comparison to ₹ 1345 Lakhs in the previous year. The Company earned a profit after tax of ₹ 1265 Lakhs in comparison to ₹ 885 Lakhs in the previous year.

HUMAN RESOURCE DEVELOPMENTS / INDUSTRIAL RELATIONS

There were no material developments in the Human resources. The industrial relations were generally found satisfactory.

The Company firmly believes that Human Resource Development strategies and practices will continue to provide a sustained competitive advantage and will continuously work towards nurturing and enhancing a competitively superior position in terms of human capital, people processes and employees behavior.

During the period under review, there are 393 permanent employees in the rolls of the company.

DISCLAIMER

Statements in this report on Management Discussion and Analysis, describing the Company's objectives, projections, estimates, expectations or predictions may be forward looking, considering the applicable laws and regulations. These statements are based on certain assumptions and expectation of future events. Actual results could, however, differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and domestic demand-supply conditions, finished goods prices, raw materials costs and availability, fluctuations in exchange rates, changes in Government regulations and tax structure, economic developments within India and the countries with which the Company has business contacts.

The Company assumes no responsibility in respect of the forward looking statements herein, which may undergo changes in future on the basis of subsequent developments, information or events.

AUDITORS' CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE

To
The Members of
SURYALATA SPINNING MILLS LIMITED,
SECUNDERABAD.

We have examined the compliance of conditions of Corporate Governance by **SURYALATA SPINNING MILLS LIMITED, SECUNDERABAD,** Telangana for the year ended 31st March, 2015 as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchange in India.

The Compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of 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 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, and based on the representations made by the directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above listing agreement.

We state that in respect of Investor grievances received during the year ended 31st March, 2015, no investor grievances are pending against the Company as per the records of the company. 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 **BRAHMAYYA & Co.,**
Chartered Accountants
Firm Regn. No.000513S

Place : Hyderabad
Date : 25th May, 2015

K S RAO
Partner
Membership No.015850

INDEPENDENT AUDITOR'S REPORT

To
The Members of
SURYALATA SPINNING MILLS LIMITED
SECUNDERABAD.

Report on the Financial Statements

We have audited the accompanying financial statements of **SURYALATA SPINNING MILLS LIMITED**, ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the 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 31st March, 2015, and its Profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2015 ("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 statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) 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 does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

Place : Hyderabad
Date : 25.05.2015

(K.S. RAO)
Partner
Membership No.015850

Annexure 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, SECUNDERABAD**, for the year ended March 31,2015.

1. a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b. As explained to us, the management has physically verified the fixed assets during the year and there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of the assets. No discrepancies were noticed on such verification.
2. a. The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - b. In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c. The Company is maintaining proper records of inventory. The discrepancies noticed on physical verification between the physical stocks and book records were not material.
3. a. During the year, the Company has not granted any loans, secured or unsecured to Companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
 - b. In view of our comment in paragraph (a) above, Clause (III) (a) and (b) of paragraph 3 of the aforesaid order are not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
5. The Company has not accepted any deposits from the public. Hence the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013, and the rules framed there under, do not apply to this Company.
6. We have broadly reviewed the cost records maintained by the Company pursuant to sub-section (1) of section 148 of the Companies Act, 2013 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.
7. a. According to the records of the Company, the company regular in depositing undisputed statutory dues including provident fund, employees 'state insurance, Income-tax, Sales-tax, Wealth tax, Service tax, Duty of customs, Duty of excise, Value added tax , Cess and any other statutory dues with the appropriate authorities.

- b. According to the records of the Company, no undisputed statutory dues including provident fund, employees 'state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax , cess and any other statutory dues were in arrears as at March 31, 2015 for a period of more than six months from the date they became payable.
 - c. According to the records of the Company and the information and explanations given to us, there were no dues of income tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax or cess have not been deposited on account of any dispute.
 - d. According to the records of the Company, there were no amounts which were required to be transferred to Investor Education and Protection Fund. Therefore, the provisions of clause 3 (vii) (c) of the Companies (Auditor's Report) Order, 2015 are not applicable to the Company.
8. The Company has no accumulated losses as at the end of the financial year. The Company has not incurred cash losses during the year covered by our audit and also in the immediately preceding financial year.
9. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institutions and Banks.
10. The Company has not given any guarantee for the loans taken by others from banks and financial institutions.
11. In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.
12. Based upon the audit procedures performed and according to the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year.

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

Place : Hyderabad
Date : 25.05.2015

(K.S. RAO)
Partner
Membership No.015850

BALANCE SHEET AS AT 31ST MARCH, 2015

(Figures in ₹ Lakhs)

Particulars	Refer Note No.	As at 31.03.2015		As at 31.03.2014	
I. EQUITY AND LIABILITIES					
1. Shareholder's funds					
a) Share Capital	1	576.70		1,103.18	
b) Reserves and Surplus	2	7,153.95	7,730.65	5,325.45	6,428.63
2. Non- current liabilities					
a) Long-term borrowings	3	5,953.12		5,988.28	
b) Deferred tax liabilities (Net)		1,547.01		1,377.01	
c) Long-term provisions	4	0.00	7,500.13	86.01	7,451.30
3. Current liabilities					
a) Short-term borrowings	5	3,581.04		2,986.13	
b) Trade payables	6	331.67		736.03	
c) Other current liabilities	7	3,055.76		4,523.17	
d) Short-term provisions	8	793.47	7,761.94	590.46	8,835.79
TOTAL			22,992.72		22,715.72
II. ASSETS					
1. Non-current assets					
a) Fixed assets	9				
Tangible assets		13,936.65		13,442.11	
Capital work-in-progress		162.11		2.51	
b) Long-term loans and advances	10	556.17	14,654.93	428.26	13,872.88
2. Current assets					
a) Current investments	11	1.11		0.11	
b) Inventories	12	2,185.47		2,173.28	
c) Trade receivables	13	3,622.53		3,507.24	
d) Cash and cash equivalents	14	66.46		97.77	
e) Short-term loans and advances	15	284.54		194.17	
f) Other current assets	16	2,177.68	8,337.79	2,870.27	8,842.84
TOTAL			22,992.72		22,715.72

As per our report of even date
for **BRAHMAYYA & CO.,**
Chartered Accountants
Firm Regn. No.000513S

for and on behalf of the Board

K.S. RAO
Partner
Membership No. 015850

M. PRAMEELA RANI
Company Secretary

VITHALDAS AGARWAL
Managing Director

Place: Secunderabad
Date : 25th May, 2015

K. NAGESWARA RAO
Chief Financial Officer

MAHENDER KUMAR AGARWAL
Joint Managing Director

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

(Figures in ₹ Lakhs)

Particulars	Refer Note No.	Current Year 31.03.2015	Previous Year 31.03.2014
INCOME			
I. Revenue from operations	17	36,541.13	35,010.95
II. Other Income	18	1,628.90	2,068.11
III. Total Revenue (I+II)		38,170.03	37,079.06
IV. EXPENSES			
Cost of Raw material Consumed	19	24,389.62	24,691.59
Purchases of stock-in-trade		945.53	689.54
Changes in inventories of finished goods, work in Process and stock-in-trade	20	179.58	(120.12)
Employee benefits expense	21	2,055.85	1,872.18
Finance costs	22	1,070.29	1,224.89
Depreciation and amortization expense	23	868.44	893.76
Other expenses	24	6,743.65	6,481.69
Total expenses		36,252.96	35,733.53
V. Profit before tax		1,917.07	1,345.53
VI. Tax expense:			
Current year Income Tax		482.00	285.00
Deferred tax		170.00	175.32
Sub-Total - Tax expense :		652.00	460.32
VII. Profit for the period, after tax		1,265.07	885.21
VIII. Earnings per equity share			
(1) Basic		28.14	22.39
(2) Diluted			
Accounting Policies and Notes to Accounts	25		

As per our report of even date
for **BRAHMAYYA & CO.,**
Chartered Accountants
Firm Regn. No.000513S

for and on behalf of the Board

K.S. RAO
Partner
Membership No. 015850

M. PRAMEELA RANI
Company Secretary

VITHALDAS AGARWAL
Managing Director

Place: Secunderabad
Date : 25th May, 2015

K. NAGESWARA RAO
Chief Financial Officer

MAHENDER KUMAR AGARWAL
Joint Managing Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

(Figures in ₹ Lakhs)

Particulars	Year ended 31.03.2015	Year ended 31.03.2014
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax	1,917.07	1,345.53
Add : Depreciation	868.44	893.76
Finance Charges	1,074.14	1,111.91
(Profit)/Loss on sale of Assets (net)	(15.06)	5.56
	3,844.59	<u>3,356.76</u>
Less : Interest earned	44.59	42.56
Rent Received	0.96	0.96
Dividend received	0.01	0.03
Credit balances written back	-	0.05
Miscellaneous Income	0.58	0.30
Direct Taxes paid	349.17	231.43
Operating Profit before working capital changes	3,449.28	<u>3,081.43</u>
Add : Decrease/(Increase) in Inventories	(12.20)	(569.74)
Decrease/(Increase) in Receivables	(115.28)	432.13
Decrease/(Increase) in Loans & Advances	525.87	(745.14)
(Decrease)/Increase in Current Liabilities	(1,865.30)	1,425.90
Net Cash flow from Operating activity (A)	1,982.37	<u>3,624.58</u>
B. CASHFLOW FROM INVESTING ACTIVITIES		
INFLOW:		
Sale of Assets(net of taxes)	30.36	34.32
Interest Received	36.44	36.79
Rent Received	0.96	0.96
Dividend received	0.01	0.03
	67.77	72.10
OUTFLOW:		
Acquisition of fixed assets including Capital Work in Progress	(1,537.89)	(288.46)
(Increase)/Decrease in Advance for Capital equipment	(84.35)	(64.79)
(Increase)/ Decrease in Investments	(1.00)	-
	(1,623.24)	(353.25)
Net Cash flow from Investing activity (B)	(1,555.47)	<u>(281.15)</u>

(Contd.)

CASH FLOW STATEMENT (Contd.)

(Figures in ₹ Lakhs)

Particulars	Year ended 31.03.2015	Year ended 31.03.2014
C. CASH FLOW FROM FINANCING ACTIVITIES		
INFLOW:		
Equity Share money including premium	780.00	-
Term Loans Received	2,338.70	-
Hire Purchase Loans Received	-	34.50
Deposits Received	5.00	70.00
Unsecured Loans received	465.00	85.00
Sales tax Deferment loan	-	49.44
Increase/(decrease) in Bank Borrowings	512.91	(761.86)
	4,101.61	(522.92)
OUTFLOW:		
Redemption of Preference share capital	586.48	-
Repayment of Term loans	2,144.65	1,370.21
Dividends Paid	109.76	109.76
Repayment of Hire Purchase loans	33.10	35.06
Deposits Repaid	155.00	20.00
Repayment of Unsecured loans	383.00	50.00
Repayment of sales tax loans	65.95	84.32
Interest Paid	1,081.89	1,116.95
	4,559.83	2,786.30
Net Cash flow from financing activities (C)	(458.22)	(3,309.22)
Net increase/(decrease) in Cash/Cash Equivalents during the year (A+B+C)	(31.32)	34.21
Add: Cash/Cash equivalents at the beginning of the year	97.78	63.57
Cash/Cash equivalents at the end of the year	66.46	97.78

As per our report of even date
for **BRAHMAYYA & CO.,**
Chartered Accountants
Firm Regn. No.000513S

for and on behalf of the Board

K.S. RAO
Partner
Membership No. 015850

M. PRAMEELA RANI
Company Secretary

VITHALDAS AGARWAL
Managing Director

Place: Secunderabad
Date: 25th May, 2015

K. NAGESWARA RAO
Chief Financial Officer

MAHENDER KUMAR AGARWAL
Joint Managing Director

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Figures in ₹ Lakhs)

	31.03.2015		31.03.2014	
	Number	₹ in Lakhs	Number	₹ In Lakhs
NOTE 1				
SHARE CAPITAL:				
Authorised				
Equity Shares of ₹ 10/- each	50,00,000	500.00	90,00,000	900.00
Preference Shares of ₹ 100/- each	12,00,000	1,200.00	8,00,000	800.00
		<u>1,700.00</u>		<u>1,700.00</u>
Issued, Subscribed and Paid-up				
Equity Shares of ₹ 10/- each fully paid-up	42,67,000	426.70	36,67,000	366.70
12% Cum Redeemable Pref Shares of ₹ 100/- each (Series -IV)		-	35,535	35.53
8% Cum Redeemable Pref Shares of ₹ 100/- each (Series -VII)		-	42,078	42.08
8% Cum Redeemable Pref Shares of ₹ 100/- each (Series -VIII)		-	1,00,000	100.00
7% Cum Redeemable Pref Shares of ₹ 100/- each (Series -IX)	1,50,000	150.00	558,871	558.87
		<u>576.70</u>		<u>1,103.18</u>

Disclosure pursuant to Note no.6(A)(d) of part I of Schedule III to the Companies Act, 2013

Particulars	No. of Equity Shares ₹ 10/- each		No. of Preference Shares ₹ 100/- each	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
Shares Outstanding at the beginning of the year	36,67,000	36,67,000	7,36,484	7,36,484
Shares Issued during the year*	6,00,000	N.A.	N.A.	N.A.
Shares redeemed/bought back during the year	N.A.	N.A.	5,86,484	N.A.
Shares outstanding at the end of the year	42,67,000	36,67,000	1,50,000	7,36,484

Details of Share holders holding more than 5% shares in the Company

Name of Shareholder	As at 31 March 2015		As at 31 March 2014	
	No. of shares held	% of Holding	No. of shares held	% of Holding
Vithaldas Agarwal	10,58,844	24.81	8,18,844	22.33
Mahender Kumar Agarwal	10,07,133	23.60	8,47,133	23.10
Madhavi Agarwal	6,64,161	15.57	5,04,161	13.75

Details of Non convertible redeemable preference shares

Nature	Series	Amount Rs in lakhs	Date of Issue	Date of Redemption
7% CRPSs of ₹ 100/- each	IX	150.00	06.03.2009	05.03.2021

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Figures in ₹ Lakhs)

	As at 31.03.2015	As at 31.03.2014
NOTE 2		
RESERVES AND SURPLUS:		
a. Capital Reserve (Subsidy)		
At the Commencement of the year	15.00	15.00
Closing Balance	<u>15.00</u>	<u>15.00</u>
b. Capital Redemption Reserve		
At the commencement of the year	470.87	470.87
Add: Transfer from Preferential capital Redemption Reserve	586.48	-
Closing Balance	<u>1,057.35</u>	<u>470.87</u>
c. Preference Capital Redemption Reserve		
At the commencement of the year	736.48	736.48
Less: Transfer to Capital Redemption Reserve	586.48	-
Closing Balance	<u>150.00</u>	<u>736.48</u>
d. Other Reserves :		
i) General Reserve		
At the commencement of the year	2,610.00	2,110.00
Add: Transfer from Surplus	1,000.00	500.00
Closing Balance	<u>3,610.00</u>	<u>2,610.00</u>
ii) Security Premium		
At the commencement of the year	568.20	568.20
Add: Current year	720.00	-
Closing Balance	<u>1,288.20</u>	<u>568.20</u>
e. SURPLUS :		
At the commencement of the year	924.89	668.10
Add: Current year profit	1,265.07	885.21
Closing Balance	<u>2,189.96</u>	<u>1,553.31</u>
Less : Equity Dividend	76.81	55.01
Preference Dividend	53.66	54.75
Corporate Dividend tax	26.09	18.65
Transfer to Preference shares redemption reserve	-	-
Transfer to General reserve	1,000.00	500.00
Closing Balance	<u>1,033.40</u>	<u>924.90</u>
Grand Total (a+b+c+d+e)	<u>7,153.95</u>	<u>5,325.45</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Figures in ₹ Lakhs)

	As at 31.03.2015	As at 31.03.2014
NOTE 3		
LONG TERM BORROWINGS		
SECURED		
a) Term loans Under TUFs from Banks		
1) IDBI Bank Limited		
a) Term Loan - URKD	-	419.82
b) Addl. Term Loan - URKD	-	37.50
c) Term Loan - URKD (TFO)	404.62	444.62
d) Term Loan - URKD (Expn-2)	1,500.00	2,100.00
e) WC TL - URKD (Expn-2)	225.00	325.00
f) Term Loan - URKD	1,000.00	-
2) State Bank of India		
a) Term Loan - URKD (Expn-1)	124.24	212.94
b) Term Loan - URKD (Expn-2)	540.00	837.75
c) FCNB(C&I)\$ TL-SBI-1000L	863.70	-
Total	4,657.56	4,377.63

Appendix:

1. Loans referred in (1) and (2) are secured by pari passu first charge on all movable and immovable properties of the Company present and future. The loans 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
1) IDBI Bank Limited			
a) Term Loan - URKD	12.05.2006	11.00%	0
b) Addl. Term Loan - URKD	27.12.2006	12.60%	0
c) Term Loan - URKD (TFO)	10.03.2010	13.75%	13
d) Term Loan - URKD (Expn-2)	24.08.2011	13.25%	10
e) WC TL - URKD (Expn-2)	03.01.2013	14.25%	9
f) Term Loan - URKD	04.08.2014	13.75%	20
2) State Bank of India			
a) Term Loan - URKD (Expn-1)	24.08.2009	13.70%	7
b) Term Loan - URKD (Expn-2)	24.08.2011	13.65%	9
c) FCNB(C&I)\$ TL-SBI-1000L	27.11.2014	5.00%	17

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Figures in ₹ Lakhs)

	As at 31.03.2015	As at 31.03.2014
NOTE 3		
LONG TERM BORROWINGS (Contd.)		
b) Other loans and advances		
Vehicle Hire Purchase Loan	30.91	52.52
Total	30.91	52.52
Terms of Repayment: Monthly instalments		
Vehicle loans above are secured by hypothecation of the respective vehicles and guaranteed by the Managing Director of the Company.		
c) Unsecured		
Other Long Term Borrowings		
(I) Deposits		
From others	-	150.00
(II) Loans and advances		
From Bodies Corporate	5.11	5.11
Total	5.11	155.11
d) Sales Tax Loans (Deferment)		
Total	1,259.54	1,403.02
Total (a+b+c+d)	5,953.12	5,988.28

The Salestax loans (deferment) liability amounting to ₹ 1,259.54 Lakhs shown under unsecured loans above, is due for repayment as under.

Year	Amount	Year of Repayment
2002-03	111.47	01.04.2017
2003-04	90.85	01.04.2018
2004-05	86.88	01.04.2019
2005-06	176.57	01.04.2020
2006-07	162.92	01.04.2021
2007-08	113.16	01.04.2022
2008-09	110.78	01.04.2023
2009-10	94.83	01.04.2024
2010-11	92.53	01.04.2025
2011-12	87.49	01.04.2026
2012-13	82.62	01.04.2027
2013-14	49.44	01.04.2028
Total	1259.54	

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Figures in ₹ Lakhs)

	As at 31.03.2015	As at 31.03.2014
NOTE 4		
LONG TERM PROVISIONS		
Provision for employee benefits	-	86.01
Gratuity - (Unfunded)		
Total	<u>-</u>	<u>86.01</u>
NOTE 5		
SHORT TERM BORROWINGS		
a) Secured		
Loans repayable on demand from banks		
i) State Bank of India		
Cash Credit	2,399.77	807.07
SLC Against export gold card scheme	432.27	491.60
Export Packing Credit	-	996.05
ii) IDBI Bank Ltd		
Cash Credit	632.00	656.41
Total	<u>3,464.04</u>	<u>2,951.13</u>
* Working Capital loans from bank referred 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.		
b) Un Secured		
i) Loans from Directors	117.00	35.00
Total	<u>117.00</u>	<u>35.00</u>
Total (a+b)	<u>3,581.04</u>	<u>2,986.13</u>
NOTE 6		
TRADE PAYABLES		
A) SUNDRY CREDITORS		
- Due to Micro, Small and Medium Enterprises	172.27	168.98
- Others	159.40	567.05
Total	<u>331.67</u>	<u>736.03</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Figures in ₹ Lakhs)

	As at 31.03.2015	As at 31.03.2014
NOTE 7		
OTHER CURRENT LIABILITIES		
Current maturities of long-term debt-		
-Term Loans under TUFs from Banks		
1) IDBI Bank Limited		
a) Term Loan - KKY (OM)	-	26.15
b) Term Loan - URKD	419.82	586.68
c) Addl. Term Loan - URKD	37.50	50.00
d) Term Loan - URKD (TFO)	40.00	40.00
e) Term Loan - URKD (New project)	600.00	600.00
f) WCTL Loan - URKD	100.00	100.00
2) State Bank of India		
a) Term Loan - KKY (TFO)	-	30.36
b) Term Loan - URKD (Expn-1)	70.96	70.96
c) Term Loan - URKD (New project)	240.00	240.00
d) Corporate Loan	150.00	-
	1,658.28	1,744.15
Advances received against sales	30.04	1,360.69
Unclaimed dividends	5.85	7.14
Vehicle Hire Purchase Loans	21.58	33.07
Salestax Loans (Deferment)	143.48	65.95
Interest Accrued and due	70.76	78.50
Sundry Creditors for: Expenses	1,035.16	1,121.69
" Other Finance	62.11	42.13
" Capital Expenditure	28.50	69.85
Total	3,055.76	4,523.17
NOTE 8		
SHORT TERM PROVISIONS		
a) Provision for employee benefits		
Salary and Wages	144.79	136.44
Contribution to PF & ESI	14.51	11.85
Gratuity Fund	70.80	29.75
Leave Encashment	36.54	65.80
Bonus Payable	62.99	62.24
b) Others (Specify nature)		
Provisions for Income Tax (net)	307.28	155.97
Proposed Equity Shares Dividend	76.81	55.01
Proposed Preference Shares Dividend	53.66	54.75
Corporate Dividend Tax	26.09	18.65
Total	793.47	590.46



SURYALATA SPINNING MILLS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 9 FIXED ASSETS

(Figures in ₹ Lakhs)

Description	Gross Block			Depreciation			Net Block			
	As at 01.04.2014	Additions	Deductions	As at 31.03.2015	Upto 01.04.2014	For the Year	Deductions	Upto 31.03.2015	As at 31.03.2015	As at 31.03.2014
Land	191.79			191.79	-	-	-	-	191.79	191.79
Factory Buildings	3,178.33	7.43		3,185.76	571.66	105.09		676.75	2,509.01	2,606.67
Non Factory Buildings	1,008.36	5.30		1,013.66	121.76	16.83		138.59	875.07	886.60
Plant & Machinery	13,424.19	1,216.14	91.36	14,548.97	4,877.13	445.43	76.06	5,246.50	9,302.47	8,547.06
Testing Equipment	89.75			89.75	40.41	20.85		61.26	28.49	49.34
Electrical Installations	910.19	65.31		975.50	312.86	164.76		477.62	497.88	597.33
Data Processing Equipment	62.49	1.50		63.99	55.82	2.07		57.89	6.10	6.67
Workshop Equipment	24.84			24.84	9.98	2.93		12.91	11.93	14.86
Weighing Machinery	12.77	0.41		13.18	8.51	2.08		10.59	2.59	4.26
Water Works	11.45			11.45	2.61	7.19		9.80	1.65	8.84
Material Handling Equipment	293.35	78.19		371.54	47.30	22.31		69.61	301.93	246.05
Furniture & Fixtures	99.36	2.37		101.73	34.17	10.93		45.10	56.63	65.19
Office Equipment	72.53	1.64		74.17	20.46	31.17		51.63	22.54	52.07
Vehicles	235.00			235.00	69.63	36.80		106.43	128.57	165.37
Add: Capital work in Progress	19,614.40	1,378.29	91.36	20,901.33	6,172.30	868.44	76.06	6,964.68	13,936.65	13,442.10
	2.51	1,531.97	1,372.37	162.11	-	-	-	-	162.11	2.51
Total	19,616.91	2,910.26	1,463.73	21,063.44	6,172.30	868.44	76.06	6,964.68	14,098.76	13,444.61
Less: Internal Transfers	-	1,372.37	1,372.37	-	-	-	-	-	-	-
Total	19,616.91	1,537.89	91.36	21,063.44	6,172.30	868.44	76.06	6,964.68	14,098.76	13,444.61
Previous Year 2013-14	19,431.58	288.46	103.13	19,616.91	5,341.79	893.76	63.25	6,172.30	13,444.61	14,089.79

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Figures in ₹ Lakhs)

	As at 31.03.2015	As at 31.03.2014
NOTE 10		
LONG TERM LOANS AND ADVANCES		
Deposits Recoverable (Un Secured considered good) (Telephone, TSCPDCL & Other Deposits)	556.17	428.26
Total	556.17	428.26
NOTE 11		
CURRENT INVESTMENTS		
<u>At Cost Unquoted - Non traded</u>		
National Saving Certificate (Pledged with Sales Tax Department)	0.01	0.01
Investment in Equity Instruments		
<u>At Cost - Quoted -Traded</u>		
800 Equity Shares in UCO Bank of ₹ 10/-, with Premium 2/-,each (Market Value ₹ 51,520/-, Previous Year ₹ 59,800/-)	0.10	0.10
<u>At Cost Unquoted - Non traded</u>		
9,999 Equity Shares in YP Solor P Ltd of ₹ 10/- each	1.00	-
Total	1.11	0.11
NOTE 12		
INVENTORIES		
(As certified by the management)		
a) Raw Materials (Valued at lower of cost or net realisable value basis)	803.55	645.33
b) Stores & Spares (Valued at cost on weighted average basis)	219.86	186.29
c) Finished Goods (including in-transit for exports) (Valued at lower of cost or net realisable value basis)	919.84	977.93
d) Stocks-in-process (Valued at cost)	240.17	362.61
e) Waste (at realisable value)	2.05	1.12
Total	2,185.47	2,173.28
* Details of Raw Materials :		
Polyster Staple Fibre	407.75	490.21
Viscose Staple Fibre	395.80	155.12
Total	803.55	645.33

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Figures in ₹ Lakhs)

	As at 31.03.2015	As at 31.03.2014
NOTE 13		
TRADE RECEIVABLES		
Receivables for a period exceeding six months	112.43	21.87
Receivables for a period less than six months (Unsecured and considered good)	3,510.10	3,485.37
Total	3,622.53	3,507.24
NOTE 14		
CASH AND CASH EQUIVALENTS		
a) Cash on Hand	9.36	7.84
b) Balances with Banks		
With Scheduled Banks	22.88	29.89
c) Balance with Banks against Dividends payments	5.84	7.14
d) Fixed deposits with Banks	28.36	52.89
e) With Post Office Savings Bank (Pledged with Central Excise Dept)	0.01	0.01
Total	66.46	97.77
NOTE 15		
SHORT TERM LOANS AND ADVANCES		
a) Advances for Capital Works	164.96	121.95
b) Advances for Suppliers & Expenses	84.28	38.38
c) Advances to Staff & Workers	14.96	13.90
d) Tax Deducted at Source	20.34	19.94
Total	284.54	194.17
NOTE 16		
OTHER CURRENT ASSETS		
a) Terminal Excise Duty Receivable	93.95	8.90
b) TUF Rebate receivable from Banks	216.60	236.10
c) State Incentive Receivables	830.46	1,462.41
d) Export Benefit entitlement Receivable	959.35	1,097.28
e) Rent Receivable	0.08	0.08
f) Cenvat benefit entitlement	2.62	5.81
g) Interest receivable	46.25	38.10
h) Prepaid Expenses	28.36	21.59
Total	2,177.68	2,870.27

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Figures in ₹ Lakhs)

	Current Year 31.03.2015	Previous Year 31.03.2014
NOTE 17		
SALE OF PRODUCTS		
Yarn	37,638.68	36,366.60
Waste/Scrap	55.25	51.93
Total Sales :	37,693.93	36,418.53
Less : Excise Duty	1,152.80	1,407.58
Total	36,541.13	35,010.95
NOTE 18		
OTHER INCOME		
Interest earned	44.59	42.56
Dividend Received	0.01	0.03
Miscellaneous Income	1.53	1.26
Profit on sale of Investments/Assets (Net)	15.06	-
Credit Balances written back	-	0.05
Export Benefit entitlements	1,566.75	2,022.53
Prior Period Income	0.96	1.68
Total	1,628.90	2,068.11
NOTE 19		
RAW MATERIAL CONSUMED		
Opening Stock	645.33	234.57
Add: Purchases	24,547.84	25,102.35
	25,193.17	25,336.92
Less: Closing Stock	803.55	645.33
Cost of Raw materials consumed Total	24,389.62	24,691.59
Imported and Indigeneous Raw Materials consumed		
	2014-15	2013-14
Indigeneous	98.30% 23,976.09	100.00% 24,691.59
Imported	1.70% 413.53	0.00% -
Total	100.00% 24,389.62	100.00% 24,691.59
Details of Raw Material Consumed		
Polyster Staple Fibre	20,704.14	21,063.40
Viscose Staple Fibre	3,685.48	3,628.19
Total	24,389.62	24,691.60

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Figures in ₹ Lakhs)

	Current Year 31.03.2015	Previous Year 31.03.2014
NOTE 20		
CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROCESS AND STOCK-IN-TRADE		
(INCREASE)/DECREASE IN STOCKS		
OPENING STOCKS		
Yarn	977.93	884.39
Stock in process	362.61	336.89
Waste	1.12	0.26
Total	1,341.66	1,221.54
CLOSING STOCKS		
Yarn	919.85	977.93
Stock in process	240.18	362.61
Waste	2.05	1.12
Total	1,162.08	1,341.66
(Increase)\Decrease in Stocks	179.58	(120.12)
NOTE 21		
EMPLOYEE BENEFITS EXPENSE		
a) Salaries, Wages and Bonus	1,651.77	1,528.65
b) Contribution to Provident Fund	122.05	110.46
c) Contribution to Employee State Insurance	50.69	48.79
d) Contribution to Group Insurance (EDLI)	5.79	4.22
e) Staff welfare expenses	125.88	126.49
f) Gratuity	99.67	53.57
Total	2,055.85	1,872.18
NOTE 22		
FINANCE COSTS		
Interest on term loans	650.32	698.10
Interest on others	423.82	419.68
Net gain/loss on foreign currency transactions & translation	(71.76)	(5.87)
Bank charges	67.91	112.98
Total	1,070.29	1,224.89
NOTE 23		
DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation	868.44	893.76
Total	868.44	893.76

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Figures in ₹ Lakhs)

	Current Year 31.03.2015	Previous Year 31.03.2014
NOTE 24		
OTHER EXPENSES		
<u>Stores consumed:</u>		
Stores and Spares	455.35	388.59
Packing Material	469.74	427.37
<u>Power and Fuel</u>		
Electricity charges	3,338.02	3,402.45
Power Line Charges	99.23	-
<u>Repairs to :</u>		
Buildings	34.82	55.41
Machinery	223.02	215.23
Others	13.38	12.89
<u>Sales Expenses :</u>		
Sales Tax	494.00	402.29
Commission on Sales	143.05	162.14
Freight & Others - Domestic Sales	432.04	367.76
Freight & Others - Export Sales	463.82	519.43
<u>Payments to Auditors</u>		
As Auditors	1.12	0.84
for Tax Audit	0.28	0.17
for Certification	1.03	1.02
for Cost Auditors	0.25	0.27
Rates and Taxes	31.58	19.00
Printing and Stationery	9.56	10.81
Postage, Telegrams and Telephones	15.27	17.28
Travelling, Conveyance and Vehicle expenses	92.44	135.22
Insurance	28.38	27.70
Managerial Remuneration	172.06	90.30
Directors sitting fees	1.23	1.13
Professional charges	12.55	10.86
Office Maintenance	135.07	124.26
Miscellaneous expenses	72.94	78.56
Loss on sale of assets (Net)	-	5.56
Donations	3.42	5.15
Total	6,743.65	6,481.69

Imported and Indigeneous Stores & Spare parts consumed:

	2014-15		2013-14	
Indigeneous	81.91%	372.97	85.56%	332.46
Imported	18.09%	82.38	14.44%	56.13
Total	100.00%	455.35	100.00%	388.59

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note No : 25

1. Background and nature of operation:

Suryalata spinning mills limited (the "Company") has been incorporated on 23rd May, 1983. The Company is engaged in the business of manufacture of Synthetic Blended Yarns. The Company is listed on Bombay Stock Exchange.

2. Significant Accounting Policies :

a) Basis of Accounting :

The Financial Statements are prepared under historical cost convention in accordance with the generally accepted accounting principles in India ("Indian GAAP") and comply with all material respects with the mandatory Accounting Standards ("AS") prescribed under section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended), and with the relevant provisions of the Act and pronouncements of the Institute of Chartered Accountants of India ('ICAI') The financial statements have been prepared on accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

b) Use of Estimates :

In preparing the Company's financial statements in conformity with the accounting principles generally accepted in India, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods.

c) Fixed Assets :

Tangible Fixed Assets are stated at cost net of accumulated depreciation. Expenditure during construction period including interest on borrowings for new major projects are capitalized till the commencement of commercial production. Depreciation is provided on straight line method in accordance with the useful life prescribed under schedule II of the Companies Act 2013. Plant and Machinery depreciated on the basis of continuous process.

d) Inventories :

Raw materials & Finished goods are valued at lower of cost or realizable value. Stores and Packing materials are valued at cost on Weighted Average basis. Stock-in-process and stock-in-transit are valued at cost. Waste is valued at realizable value.

e) Investments :

Investments are stated at cost and diminution in the value which is permanent in nature has been provided for.

f) Foreign Exchange Transactions :

Foreign currency transactions are recorded at the rates prevailing on the date of the transactions. Monetary assets and liabilities in foreign currency are translated at year end rate or at the rates of exchange fixed under contractual arrangements. Exchange differences arising on settlement of transactions and translation of monetary items are recognized as income or expense.

g) Contingent Liabilities and Provisions :

All contingent liabilities are indicated by way of a note and will be paid / provided crystallization.

h) Retirement Benefits :

Company's contribution to Provident fund determined under the relevant statute is charged to revenue. The gratuity contribution has been made on the basis of actuarial valuation under AS15 given by SBI life insurance Company. The liability for leave encashment is provided for on the basis of accrued leaves at the close of the year.

i) Accounting For Income Tax :

Current tax represents the amount that otherwise would have been payable under the Income-tax Act, 1961, had the financial year been reckoned as the basis for computation of tax payable under the prevailing tax laws.

j) Deferred Income Tax :

Deferred Tax being tax on timing difference between taxable income and accounting income that originate in one year and capable of reversal in one or more subsequent years has been recognized. Deferred tax asset is recognized only if there is reasonable that it will be realized and will be reviewed for the appropriateness of its respective carrying value at each balance sheet date.

k) Revenue Recognition:

i. Sales of Manufactured Goods:

Sales of goods in respect of domestic sales are recognized on despatch of goods to customer. 'Sales' includes freight, packing, excise duty and sales tax.

Sales of goods in respect of export sales are recognized as and when the shipment of goods takes place.

ii. Recognition of Export benefits:

Export Benefits Entitlements in respect of Incentives Schemes including Duty Drawback Scheme of the Government of India are recognized in the year in which Export Sales are accounted for.

Note No.25 (Contd.)
3. NOTES ON ACCOUNTS ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2015

(Figures in ₹ Lakhs)

Particulars	As on 31.03.2015	As on 31.03.2014
a. Contingent Liabilities not provided for on account of:		
a) Contracts to be executed on capital projects.	46.02	411.40
b) Bank Guarantee	1.90	1.90
c) Bills discounted against LC's	Nil	291.35
d) Inland LC's	Nil	Nil
b. Earnings in Foreign Exchange FOB Value of Exports	4026.11	6,012.82
c. Expenditure in Foreign Currency during the year on account of :		
i) Commission on Export Sales	35.91	72.93
ii) Foreign Travel (Excluding tickets purchased in India)	7.63	13.20
	43.54	86.13
d. Value of Imports calculated on CIF basis in respect of:		
i) Plant and Machinery - Imported (CIF Value)	286.21	Nil
ii) Raw materials (CIF Value)	413.53	Nil
iii) Stores and Spares (CIF Value)	73.54	58.79
	773.28	58.79
e. Composition of Net Deferred Tax Liability		
Deferred Tax Liabilities		
Depreciation	1,510.52	1,423.33
Deferred Tax Assets		
Provision for Gratuity	36.49	46.32
Deferred Tax Liability (Net)	1,547.01	1,377.01
f. Basic Earnings Per Share as per Accounting Standard No.29		
Profit after Tax	1,265.07	885.21
Less: Dividend on Preference Share Capital with dividend tax there on	64.39	64.06
	1,200.68	821.15
Weighted average Number of Equity Shares	42.67	36.67
Diluted Number of Equity Shares	42.67	36.67
Basic Earnings per share	Rs 28.14	Rs 22.39
Diluted Earnings per share	Rs 28.14	Rs 22.39

Note No.25 (Contd.)
g. Related party disclosure

Related party disclosure as required by AS-18 are given under

i) Transactions during the year (Expenditure)

(Figures in ₹ Lakhs)

Name of the party	Relationship	Nature of Transaction	Current Year 31.03.2015	PreviousYear 31.03.2014
Sri Vithaldas Agarwal Managing Director	Key Management	a) Remuneration	33.00	32.40
		b) Interest (Gross)	6.41	3.41
		c) Unsecured Loan Repaid	170.00	50.00
		d) Commission	39.89	Nil
		e) Unsecured Loan Received	210.00	65.00
Sri M K Agarwal Joint Managing Director	Key Management	a) Remuneration	38.87	35.97
		b) Interest (Gross)	5.06	1.47
		c) Unsecured Loan Repaid	90.00	Nil
		d) Commission	39.89	Nil
		e) Unsecured Loan Received	117.00	20.00
Sri Yash Agarwal Executive Director	Key Management	a) Remuneration	11.86	21.75
		b) Interest (Gross)	0.12	Nil
		c) Unsecured Loan Repaid	10.00	Nil
		d) Unsecured Loan Received	10.00	Nil
Smt. Madhavi Agarwal Executive Director	Key Management	a) Remuneration	8.55	Nil
		b) Interest (Gross)	1.99	0.82
		c) Unsecured Loan Repaid	113.00	15.00
		d) Unsecured Loan Received	128.00	15.00
Suryaamba Spinning Mills Ltd	MD Son is Director	a) Purchase of Yarn	549.43	137.12
Suryalakshmi Cotton Mills Ltd	MD Brother is Director	a) Purchase of Yarn	268.52	336.54
YP Solar Power P Ltd	Subsidiary Company	a) Investment	1.00	Nil

Note No.25 (Contd.)
ii) Payable as at 31.03.2015

(Figures in ₹ Lakhs)

Name of the party	Relationship	Nature of Transaction	Current Year 31.03.2015	Previous Year 31.03.2014
Sri Vithaldas Agarwal Managing Director	Key Management	a) Remuneration (Net)	4.76	4.02
		b) Interest (net)	4.52	2.36
		c) Unsecured Loan	55.00	15.00
		d) Commission	39.89	Nil
Sri M K Agarwal Joint Managing Director	Key Management	a) Remuneration (Net)	5.15	2.28
		b) Interest (net)	4.44	1.32
		c) Unsecured Loan	47.00	20.00
		d) Commission	39.89	Nil
Sri Yash Agarwal Executive Director	Key Management	a) Remuneration (Net)	Nil	0.84
Smt. Madhavi Agarwal Executive Director	Key Management	a) Remuneration (Net)	8.30	Nil
		b) Interest (Net)	1.79	1.02
		c) Unsecured Loan	15.00	Nil
Suryalakshmi Cotton Mills Limited	MD Brother is Director	a) Purchase of Yarn	Nil	36.54

h. Employee benefits: Gratuity

Consequent to the adoption of Accounting Standard on Employees Benefits (AS-15) (Revised 2005) 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.

(₹ in Lakhs)

Particulars	As on 31.03.2015	As on 31.03.2014
i. Table showing changes in present value of obligations		
Present value of obligations as at beginning of year	252.02	211.81
Interest cost	11.60	16.95
Current Service Cost	70.81	28.96
Benefits Paid	Nil	Nil
Actuarial gain/(Loss) on obligations	Nil	(5.70)
Present value of obligations as at end of year	334.43	252.02

(Contd.)

Note No.25 (Contd.)

(Figures in ₹ Lakhs)

Particulars	As on 31.03.2015	As on 31.03.2014
ii. Table showing changes in the fair value of plan assets		
Fair value of plan assets at beginning of year	136.27	125.02
Expected return on plan assets	10.90	10.00
Contributions	115.75	Nil
Benefits Paid	Nil	Nil
Actuarial gain/(Loss) on Plan assets	0.70	1.25
Fair value of plan assets at the end of year	263.62	136.27
iii. Table showing fair value of plan assets		
Fair value of plan assets at beginning of year	136.27	125.02
Actual return on plan assets	10.90	11.25
Contributions	115.75	Nil
Benefits Paid	Nil	Nil
Actuarial gain/(Loss) on Plan assets	0.70	1.25
Fair value of plan assets at the end of year	263.62	136.27
Funded status	(70.80)	(115.75)
Excess of Actual over estimated return on plan assets (Actual rate of return = Estimated rate of return as ARD falls on 31st March)	Nil	Nil
iv. Assumptions		
	As on 31.03.2015	As on 31.03.2014
Discount rate	8%	8%
Expected rate of return on assets	8%	8%
Salary Escalation	8% F5Y & 5%TA	8% F5Y & 5%TA

- i.** In the opinion of the Board, the current assets and loans & advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated.
- j.** The company has opted for Drawback scheme on payment of excise duty for exports by availing cenvat credit on inputs for exports under Notification no: 29/2004 (CE) dated 09.07.2004. The company has opted for zero rate of duty by not taking cenvat credit on inputs under central excise vide Notification no: 30/2004 (CE) dated 09.07.2004 for domestic sales except the quantities removed on payment of excise duty under Notification no: 29/2004 (CE) dated 09.07.2004. read with circular no 845/03/2006-CX dated 01.02.2007 by avail proportionate cenvat credit at the end of the month against inputs used in the manufacture of finished goods produced.
- k.** 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 **BRAHMAYYA & CO.,**
Chartered Accountants
Firm Regn. No.0005135

for and on behalf of the Board

K.S. RAO
Partner
Membership No. 015850

M. PRAMEELA RANI
Company Secretary

VITHALDAS AGARWAL
Managing Director

Place: Secunderabad
Date: 25th May, 2015

K. NAGESWARA RAO
Chief Financial Officer

MAHENDER KUMAR AGARWAL
Joint Managing Director



**32nd Annual General Meeting
SURYALATA SPINNING MILLS LIMITED**

ATTENDANCE SLIP

CIN : L18100TG1983PLC003962, Registered office: Surya Towers, 1st Floor, 105, Sardar Patel Road, Secunderabad-500 003, Tel: 040-27774200 Fax: 040-27846859; Email: cs@suryalata.com: Website : **www.suryalata.com**

Date	Venue	Time
21st September, 2015	Kamat Lingapur Hotel, 1-10-44/2, Chikoti Gardens, Begumpet, Hyderabad - 500016	10.30 A.M.

Name of the Shareholder	Folio / DP & Client ID No.	No. of Shares

I certify that I am a registered shareholder of the Company, holding above mentioned shares in the Company, and hereby record my presence at the 32nd Annual General Meeting of the Company.

Member's/Proxy signature

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



**32nd Annual General Meeting
SURYALATA SPINNING MILLS LIMITED**

PROXY FORM

CIN: L18100TG1983PLC003962, Registered office: Surya Towers, 1st Floor, 105, Sardar Patel Road, Secunderabad- 500 003, Tel: 040-27774200 Fax: 040-27846859; Email: cs@suryalata.com: Website : **www.suryalata.com**

Form No. MGT-11

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

Name of the Member(s) _____ E-mail ID _____
Registered Address _____ Folio No / Client ID _____
DP ID _____

I/We being the Member(s) of _____ shares of Suryalata Spinning Mills Limited, hereby appoint:

- 1) _____ of _____ having e-mail id _____ or failing him/her
- 2) _____ of _____ having e-mail id _____ or failing him/her
- 3) _____ of _____ having e-mail id _____

and whose signatures are appended below as my/our proxy to attend and vote (on a poll) for me / us and on my/our behalf at the 32nd Annual General Meeting of the Company, to be held on Monday, 21st September, 2015 at 10.30 A.M at Kamat Lingapur Hotel, 1-10-44/2, Chikoti Gardens, Begumpet, Hyderabad - 500 016 and at any adjournment thereof in respect of such resolutions as are indicated below:



S.No.	Resolutions	For	Against
	Ordinary Business		
1.	To receive, consider and adopt the Audited Financial Statements of the Company for the Financial year ended 31st March, 2015, together with the reports of the Board of Directors and the Auditors thereon.		
2.	To declare dividend on Cumulative Redeemable Preference Shares for the financial year ended 31st March, 2015.		
3.	To declare dividend on Equity Shares of the Company for the financial year ended 31st March, 2015.		
4.	To appoint a director in place of Sri Mahender Kumar Agarwal, (DIN: 00012807) Joint Managing Director of the Company who retires by rotation and being eligible, offers himself for re-appointment.		
5.	Appointment of Statutory Auditors.		
	Special Business		
6.	Ratify the appointment of Smt. Madhavi Agarwal, Whole-Time Director of the Company.		
7.	Re-appointment of Sri Mahender Kumar Agarwal, Joint Managing Director of the Company for a further period of 5 years.		
8.	Further issue of Preference Shares of the Company on Private Placement basis.		
9.	Alteration of Articles of Association		
10.	Ratify the Remuneration of Cost Auditor		
11.	Change in Address of Registrar & Transfer Agents.		

Signed this..... day of..... 2015

Signature of shareholder

Signature of Proxy holder(s)

Affix
Revenue
Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered office of the Company at Surya Towers, 1st Floor, 105, S P Road, Secunderabad - 500 003, not less than 48 hours before the commencement of the meeting.



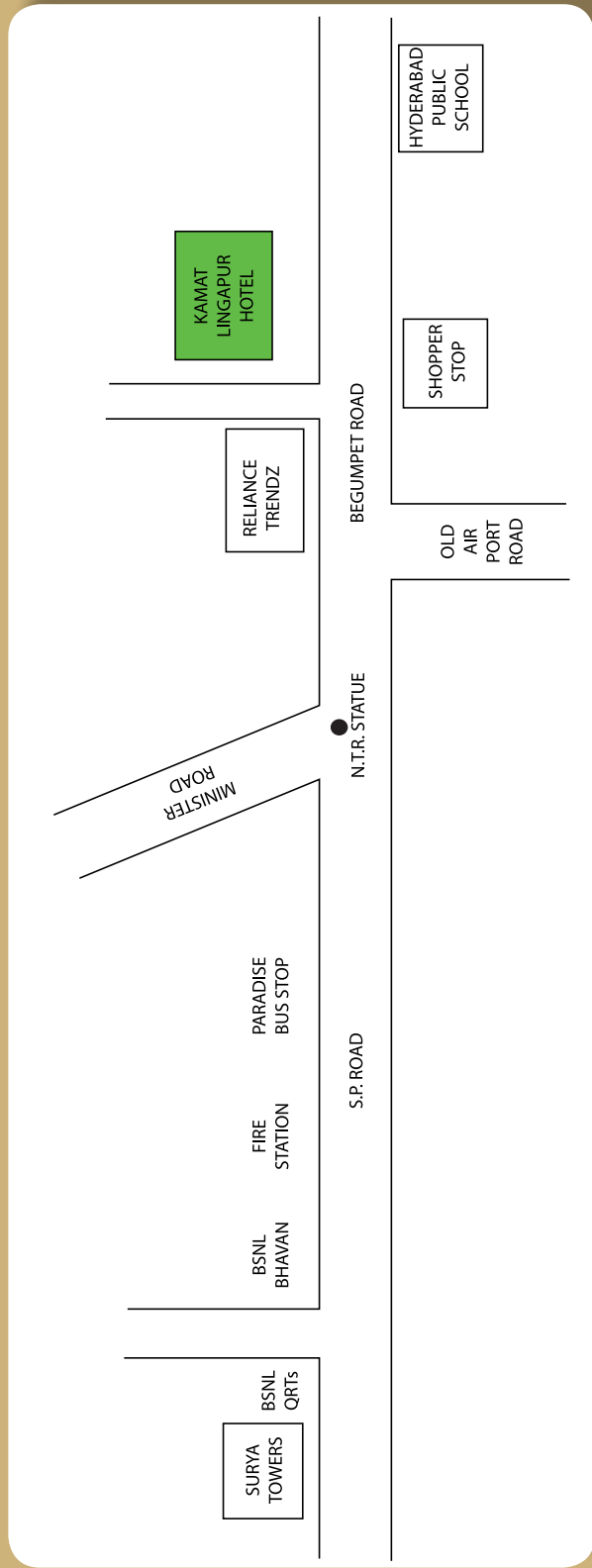
CSR ACTIVITIES





SURYALATA SPINNING MILLS LIMITED

Route Map for Venue of 32nd AGM





SURYALATA SPINNING MILLS LIMITED

CIN: L18100TG1983PLC003962

Regd. Office : Surya Towers, 1st Floor, 105

S.P. Road, Secunderabad - 500 003 Telangana State.

Phone No : 040-27774200 Fax : 040-27846859

e-mail: cs@suryalata.com www.suryalata.com