



SURYALATA SPINNING MILLS LIMITED

CIN-L18100TG1983PLC003962 - GST No : 36AADCS0823M1ZA

(An ISO 9001 : 2015 Certified Company)



Date: 25.06.2020

BSE Limited,
25th Floor, Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai - 400 001.

Dear Sirs,

Sub: Outcome of Board Meeting under Regulation 30 of SEBI (LODR) Regulations, 2015.

Ref : Scrip Code No. 5 141 3 8.

The Board in its meeting held on June 25, 2020, inter-alia, considered and approved the Following :

1. Audited Financial Results for the Quarter and year ended March 31, 2020. The said Financial Results along with the Auditor's Report, Cash Flow statement and Statements of Assets and Liabilities as on March 31, 2020 and declaration pursuant to Regulation 33(3)(d) of SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015 is enclosed as **Annexure- I**.
2. The Board of Directors has recommended a dividend of 10% i.e. Rs. 1.00 per Equity Share with Face Value of Rs.10/- each to non-promoter shareholders of the company for the financial year ended March 31, 2020, subject to the approval of shareholders at the ensuing Annual General Meeting. Promoters have volunteered to waive dividend on their holdings of preference shares and also on equity shares for the Financial Year 2019-20
3. Re-appointment of Sri Mahender Kumar Agarwal as Joint Managing Director of the Company for a term of 5 years from January 1, 2021 to December 31, 2025 subject to the approval of shareholders at the ensuing Annual General Meeting. A brief profile of Sri Mahender Kumar Agarwal is enclosed herewith as **Annexure- II**. In this connection, we hereby affirm that Sri Mahender Kumar Agarwal is not debarred from holding the office of Director by virtue of any SEBI order or any other such authority.





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4. The Boards Report for the financial year ended March 31, 2020
5. The date of the Annual General Meeting (AGM) to be held on Monday, September 28, 2020.
6. Disclosure w.r.t. material impact of COVID-19 pandemic, pursuant to the SEBI Circular SEBI/HO/CFD/CMDI/CIR/P/2020/84 dated May 20, 2020 is also enclosed. **Annexure - III**


The above information is also available on the website of the Company: www.survalata.com.

The meeting commenced at 4.15 P.M., and concluded at 5.20 P.M.,

This is for your kind information and records.

Thanking you,

Yours faithfully,
For Suryalata Spinning Mills Limited


N Venkata Ramana
Company Secretary





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Annexure - I



AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31st MARCH, 2020

(Amount In Lakhs.)

Particulars	For the Quarter Ended			Year Ended	
	31-Mar-20	31-Dec-19	31-Mar-19	31-Mar-20	31-Mar-19
	Audited	Un Audited	Audited	Audited	Audited
I Revenue from operations	8,342	9,387	9,954	36,864	38,823
II Other income	85	57	154	296	288
III Total (I+II)	8,427	9,444	10,108	37,160	39,111
IV Expenses					
Cost of materials consumed	4,897	5,891	6,501	22,557	26,558
Change in inventories of finished goods, stock in trade and work in progress	66	(305)	(307)	106	(523)
Employee benefit Expenses	776	776	641	2,929	2,543
Finance costs	246	297	441	1,145	1,034
Depreciation and amortisation expenses	275	278	221	1,106	840
Other expenses	1,537	1,806	1,593	7,326	6,337
Total Expenses(IV)	7,797	8,743	9,090	35,169	36,789
V Profit before tax	630	701	1,018	1,991	2,322
VI Tax expense:					
Current tax	115	127	254	357	535
Deferred tax	(19)	127	189	223	364
VII Profit for the period (VII-VIII)	534	447	575	1,411	1,423
VIII OTHER COMPREHENSIVE INCOME					
A-(i) Items that will be reclassified to the profit or loss	-	-	-	-	-
(ii) Income tax on items that will be reclassified to the profit or loss	-	-	-	-	-
B-(i) Items that will not be reclassified to the profit or loss					
a) Remeasurement of Defined employee benefit plans	18	-	16	18	16
(ii) Income tax on items that will not be reclassified to the profit or loss	(5)	-	(5)	(5)	(5)
Total Other Comprehensive Income (net of taxes)	13	-	11	13	11
Total Comprehensive Income for The Period	547	447	586	1,424	1,434
IX Earnings per Equity share-Basic and diluted (Not Annualised)	12.52	10.47	13.47	33.06	33.33
Weighted average number of equity shares (In no's lakhs)	427	427	427	427	427



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STATEMENT OF ASSETS AND LIABILITIES

(Amount In Lakhs.)

Particulars	Note No.	As at	
		31.03.2020	31.03.2019
I. ASSETS			
1. Non-Current assets			
(a) Property, Plant and Equipment	2(a)	19,632	20,315
(b) Capital work-in-progress	2(b)	18	36
(c) Intangible Assets	2(c)	4	7
(d) Financial Assets			
(i) Loans	3	1	4
(ii) Other financial assets	4	913	878
(e) Other non-current assets	5	46	59
Total Non-current assets		20,614	21,299
2. Current assets			
(a) Inventories	6	2,536	2,470
(b) Financial Assets			
(i) Investments	7	0	0
(ii) Trade receivables	8	2,472	3,423
(iii) Cash and cash equivalents	9	41	26
(iv) Other Bank Balances	10	173	157
(v) Other financial assets	11	61	68
(c) Other current assets	12	1,197	1,230
(d) Current tax asset (net)	13	13	-
Total Current assets		6,493	7,374
Total Assets		27,107	28,673
II. EQUITY AND LIABILITIES			
1. Equity			
(a) Equity Share capital	14	427	427
(b) Other Equity	15	12,504	11,108
Total Equity		12,931	11,535
2. Non- Current liabilities			
(a) Financial Liabilities			
Borrowings	16	6,857	7,917
b) Deferred tax liabilities (Net)		2,348	2,120
c) Other non-current liabilities	17	294	331
Total Non- current liabilities		9,499	10,368
3. Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	2,101	3,987
(ii) Trade payables	19		
Micro and small enterprises		144	141
Other than micro and small enterprises		148	175
(iii) Other financial liabilities	20	2,079	1,957
(b) Other current liabilities	21	41	284
(c) Provisions	22	164	103
(d) Current tax liabilities (net)	23	-	123
Total Current liabilities		4,677	6,770
Total liabilities		14,176	17,138
Total Equity and Liabilities		27,107	28,673





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SURYALATA SPINNING MILLS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

(Figures in ₹ Lakhs)

PARTICULARS	Year Ended 31.03.2020	Year Ended 31.03.2019
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax	1,990.64	2,322.10
Add : Depreciation	1,105.76	839.71
Finance Charges	1,091.44	806.44
Fair value (Profit)/Loss on Investments	0.08	0.02
Other Comprehensive Income/(Loss)	17.98	16.32
(Profit)/Loss on sale of Assets (net)	(8.96)	(4.14)
	<u>2,206.30</u>	<u>1,658.35</u>
	4,196.94	3,980.45
Less : Interest earned	68.70	63.85
Direct Taxes paid	497.72	626.14
	<u>566.42</u>	<u>689.99</u>
Operating Profit before working capital changes	3,630.52	3,290.46
Add : Decrease/(Increase) in Inventories	(65.33)	(617.32)
Decrease/(Increase) in Receivables	951.09	(764.79)
Decrease/(Increase) in Current Assets, Loans & Advances	(14.17)	(67.78)
(Decrease)/Increase in Non Current Liabilities	(36.79)	(36.79)
(Decrease)/Increase in Current Liabilities	(451.36)	303.34
	<u>383.43</u>	<u>(1,183.34)</u>
Net Cash flow from Operating activity (A)	4,013.95	2,107.12
B CASHFLOW FROM INVESTING ACTIVITIES		
INFLOW:		
Sale of Assets(net of taxes)	25.35	30.55
Interest Received	74.41	59.70
Rent Received	-	-
	<u>99.76</u>	<u>90.25</u>
OUTFLOW:		
Acquisition of fixed assets including Capital Work in Progress	(418.27)	(7,083.67)
(Increase)/Decrease in Advance for Capital equipment	12.25	33.29
	<u>(406.02)</u>	<u>(7,050.38)</u>
Net Cash flow from Investing activity (B)	(306.26)	(6,960.13)
C CASH FLOW FROM FINANCING ACTIVITIES		
INFLOW:		
Term Loans Received	-	6,554.43
Hire Purchase Loans Received	-	94.50
Unsecured Loans received	125.50	35.00
Increase/(decrease) in Bank Borrowings	(1,821.22)	93.92
	<u>(1,695.72)</u>	<u>6,777.85</u>
OUTFLOW:		
Repayment of Term loans	547.47	1,059.95
Dividends Paid	22.76	18.97
Repayment of Hire Purchase loans	24.94	17.80
Repayment of Unsecured loans	190.51	-
Repayment of sales tax loans	176.57	86.88
Interest Paid	1,034.67	744.23
	<u>1,996.92</u>	<u>1,927.83</u>
Net Cash flow from financing activities (C)	(3,692.64)	4,850.02
Net increase/(decrease) in Cash/Cash Equivalents during the year (A+B+C)	15.06	(2.99)
Add: Cash/Cash equivalents at the beginning of the year	26.35	29.34
Cash/Cash equivalents at the end of the year	41.41	26.35



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Notes:

- 1 The Company's business activity falls within a single business segment i.e yarn, in terms of Ind AS 108 on operating segments.
- 2 These results have been prepared in accordance with the Companies (Indian Accounting Standards)rules 2015 (Ind AS) prescribed Under Section 133 of the Companies Act,2013 and other recognised accounting practises and policies to the extent applicable.
- 3 The above Audited financial results have been reviewed by the audit committee and approved by the board at their meeting held on 25th June, 2020. The statutory auditors of the company have submitted auditors report of the results for the quarter and year ended March 31, 2020.
- 4 The figures for the last quarters ended 31st March,2020 and 31st March,2019 are the balancing figures between the audited figures in respect of the full financial years and the published year to date figures upto the third quarter of respective financial years.
- 5 The Board has recommended a dividend of Rs. 1.00 per share (Previous year 1.80 per share), only to the non promoter shareholders, subject to the approval of the members in the Annual General Meeting. Promoters have volunteered to waive dividends on their holdings of Preference shares and also on equity shares for the FY 2019-20.
- 6 Effective April 01, 2019, the Company has adopted Ind AS 116"Leases". The adoption of the standard, does not have any material Impact on the financial results of the Company.
- 7 Figures of the previous quarter/ year have been re grouped and re classified where ever necessary to correspond with current year's presentataion.
- 8 In view of the nation wide lock down due to COVID-19 in the last quarter of the year,the company's operations at all its units were shut down which marginally impacted the performance for the quarter. The company has considered internal and external sources of information,economic forecasts and industry reports,upto the date of approval of financial statements in determining the impact of COVID-19 pandemic on various elements of its business operations and financial statements. The company has used the principles of prudence in applying judgements.estimates and assumptions and based on the current estimates,the company expects to recover the carrying amount of its current and non-current assets,and does not anticipate any impairment to these assets. The company has since resumed its operations in a phased manner from 03/05/2020 conforming with the Guidelines of the Government.The company will continue to closely monitor any material changes to future economic conditions.

Place : Secunderabad
Date : 25th June 2020



For and on behalf of Board of Directors
for Suryalata Spinning Mills Limited


Mahender Kumar Agarwal
Jt. Managing Director

(DIN : 00012807)



Independent Auditor's Report on Quarterly and Year to Date Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, as amended

To
Board of Directors of **SURYALATA SPINNING MILLS LIMITED.**

Report on the Audit of the Financial Results

Opinion

We have audited the accompanying statement of quarterly and year to date financial results of **SURYALATA SPINNING MILLS LIMITED** (the "Company") for the quarter and the year ended March 31, 2020 ("Statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us these financial results:

- i. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- ii. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards and other accounting principles generally accepted in India of the net profit and other comprehensive income and other financial information for the quarter and year ended March 31, 2020.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 (the Act). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Results" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities for the Financial Results

The statement has been prepared on the basis of the annual financial statements. The Company's Board of Directors are responsible for the preparation and presentation of the





statement that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the applicable accounting standards prescribed under Section 133 of the Act read with relevant rules issued there under and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Results

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

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

- Identify and assess the risks of material misstatement of the statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate





internal financial controls with reference to financial statements in place and the operating effectiveness of such controls

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the statement, including the disclosures, and whether the statement represents the underlying transactions and events in a manner that achieves fair presentation.

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

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

Other Matter

The Statement includes the results for the quarter ended March 31, 2020 being the balancing figure between the audited figures in respect of the full financial year ended March 31, 2020 and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.

Place : Hyderabad
Date : 25.06.2020



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

(V VENKATESWARA RAO)
Partner

Membership No. 219209

UDIN: 20219209AAAABY7755



SURYALATA SPINNING MILLS LIMITED

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Annexure- II

BRIEF PROFILE OF SRI MAHENDER KUMAR AGARWAL

Sri Mahender Kumar Agarwal has been associated with the Company since 1991. He is from the family with over Three 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 Executive Director of the Company in the 8th Annual General Meeting held on 27th September 1991, and from onwards Company is benefited from his valuable guidance in its journey towards success.

For SURYALATA SPINNING MILLS LIMITED

COMPANY SECRETARY



SURYALATA SPINNING MILLS LIMITED

CIN-L18100TG1983PLC003962 - GST No : 36AADCS0823MIZA

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Annexure- III

IMPACT OF COVID-19:

World Health Organization (WHO) declared outbreak of Corona virus Disease (COVID-19) a global pandemic on March 11, 2020. Consequent to this, Government of India declared lockdown on March 23, 2020 and the Company temporarily suspended the operations in the manufacturing units in compliance with the lockdown instructions issued by the Central and State Governments. COVID-19 has impacted the normal business operations of the Company by way of interruption in production, supply chain disruption, unavailability of personnel, closure/lock down of all activities during the lock-down period which has been extended till May 31, 2020. However, plant operations started after obtaining permissions from the appropriate government authorities from 03rd May, 2020. Fixed cost per month estimated about Rs.300 lakhs per month towards Bank Interest, Salaries & Wages, Power CMD charges & miscellaneous expenses. To mitigate these expenses, the operations are required to maintain between 50-55% to the break-even level.

In the month of May, spindle utilizations/plant operations maintained @ 70% in Kalwakurthy and 53% in Urukondapet, produced 14,91,630 kgs against which sales made for 3,17,139 kgs only, resulting to increase of yarn stocks by 11,74,491 kgs. In the month of June (till 24th) produced 13,24,359 kgs against which sales made 10,06,182 kgs resulting to increase of Yarn stocks by 3,18,177 kgs. With the above flow, we are confident to roll back the plant operations @ annual average level of 75% in FY2021.





SURYALATA SPINNING MILLS LIMITED

CIN-L18100TG1983PLC003962 - GST No : 36AADCS0823MIZA

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Date: 25.06.2020

BSE Limited,
25th Floor, Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai - 400 001.

Dear Sirs,

Sub : Declaration confirming issuance of Audit Reports with Unmodified Opinion on the Standalone and Consolidated Financial Statements of Suryalata Spinning Mills Limited for the year ended March 31, 2019.

Ref : Scrip Code No. 5 141 3 8.

Pursuant to Regulation 33(3)(d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby declare and confirm that the Statutory Auditors of the Company M/s.K.S.Rao & Co., Chartered Accountants, Hyderabad (Firm Registration No. 003109S) have issued their Audit Report with unmodified opinion on the Financial Results of the Company for the financial year ended on March 31, 2020.

This is for your kind information and records.

Thanking you,

Yours faithfully,
For Suryalata Spinning Mills Limited

Mahender Kumar Agarwal
Joint Managing Director
DIN: 00012807

