



## SURYAAMBA SPINNING MILLS LIMITED

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### BOARD OF DIRECTORS

1. Sri Virender Kumar Agarwal
2. Smt. Seema Rani Agarwal
3. Sri Mayank Agarwal
4. Sri Pundlik Sampatrao Thakare
5. Sri Sanjiv A. Agrawal
6. Sri Amit Goela

Managing Director  
Joint Managing Director  
Whole-time Director  
Director  
Director  
Director

### MANAGER

#### (FINANCE & ACCOUNTS)

Sri Milind M. Bangre

### REGISTERED OFFICE

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

### AUDITORS

M/s. S.Venkatadri & Co.,  
1408, Babukhan Estate,  
Basheerbagh, Hyderabad-500001

### REGISTRAR & TRANSFER AGENTS

M/s. Karvy Computershare Private Limited  
Plot No.17-24, Vittal Rao Nagar, Madhapur,  
Hyderabad- 500 081.  
Phone No. 040-23420818  
Fax No.040-23420814  
E-Mail: einward.ris@karvy.com

### BANKERS

State Bank of India  
Industrial Finance Branch,  
Hyderabad.

Axis Bank Limited  
M. G. House, Civil Lines,  
Nagpur

### FACTORY

Mouza - Nayakund,  
Near Ramtek,  
Nagpur District,  
Maharashtra.

### LISTED ON

Bombay Stock Exchange Limited, Mumbai

### Book Closure Dates :

2nd August, 2012 to 4th August, 2012 (Both days inclusive)

Contents	Page Nos.
Notice	2-4
Directors' Report	5-10
Compliance Certificate	11-15
Management Discussion and Analysis	16-18
Report on Corporate Governance	19-28
Auditors Certificate on Corporate Governance	29
Certificate by the CEO and CFO	30
Auditor's Report	31-33
Balance Sheet	34
Profit & Loss Statement	35
Cash Flow Statement	36
Notes to the Financial Statements	37-49
Significant Accounting Policies	50-52
Attendance Slip and Proxy Form	53



**NOTICE**

Notice is hereby given that 5th Annual General Meeting of the members of M/s. Suryaamba Spinning Mills Limited will be held on Saturday, 4th August 2012, at 05.30 p.m. at Kamat Lingapur Hotel, 1-10-44/2, Chikoti Gardens, Begumpet, Hyderabad-500016 to transact the following business:

**Ordinary Business:**

**1. Adoption of Accounts**

To receive, consider and adopt the Audited Profit & Loss Statement for the year ended 31st March 2012 and Balance Sheet as on that date and the Reports of the Directors and Auditors thereon.

**2. Re-appointment of Sri Pundlik Sampatrao Thakare**

To appoint a director in place of Sri Pundlik Sampatrao Thakare who retires by rotation and being eligible offers himself for re-appointment.

**3. Appointment of Statutory Auditors**

To Consider and if thought fit, to pass with or without modification (s), the following resolution as an Ordinary Resolution relating to appointment of Statutory Auditors of the Company:

**"RESOLVED THAT** pursuant to Section 224 and other applicable provisions, if any, of the Companies Act, 1956, M/s S.Venkatadri & Co, Chartered Accountants, Hyderabad (Registration No. 004614s) be and are hereby appointed as the Statutory Auditors of the Company to hold office from the conclusion of this 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:**

**4. Appointment of Sri Amit Goela as Director of the Company**

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

**"RESOLVED THAT** pursuant to the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956 Sri Amit Goela, who was appointed as an Additional Director in the Board Meeting held on 18th July, 2011 as per Section 260 of the Companies Act, 1956 and who ceases to be a Director on the commencement of 5th Annual General Meeting be and is hereby appointed as the Director of the company whose office is liable to retire by rotation".

**For and on behalf of the Board  
For Suryaamba Spinning Mills Ltd**

**Place: Nagpur  
Date: 06-07-2012**

**Virender Kumar Agarwal  
Managing Director**



**NOTES**

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and on a poll to vote instead of himself. 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 Meeting.
2. An explanatory statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of Special business set out at item no.4 of the Notice is annexed hereto.
3. The Registers of Members and Share transfer books will remain closed from 2nd August, 2012 to 4th August, 2012 (Both Days Inclusive) for the purpose of Annual General Meeting.
4. Members are requested to notify immediately any change of address to their depository participants in respect of their holding in Electronic Form and to M/s. Karvy Computershare Private Limited. Unit Suryaamba Spinning Mills Ltd. in respect of their Physical Folio, if any.
5. Members desiring any further information as regards the Accounts or Operations of the Company are requested to write to the Company so as to reach at least one week prior to the date of Meeting for consideration of the management to deal at the meeting.
6. Corporate Members intending to send their authorised 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.
7. Pursuant to the requirement of the Listing Agreement of the Stock Exchange on Corporate Governance, relating to appointment of the Directors / reappointment of the retiring Directors, a statement containing the required details of the concerned Directors forms part of the Report on Corporate Governance.
8. 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.
9. Members/Proxies are requested to bring duly filled attendance slip sent herewith, alongwith their copy of annual report at the Meeting.
10. The Annual report of the Company for the year 2011-12, is also uploaded on the Companys website [www.suryaamba.com](http://www.suryaamba.com).



**Explanatory Statement**

(Pursuant to Section 173(2) of the Companies Act, 1956)

**Item # 4: Appointment of Sri Amit Goela as a Director of the Company**

In order to have optimum mix of Directors on the Board, Sri Amit Goela has been appointed as an additional director of the Company in the Board Meeting held on 18th July, 2011. As per the provisions of the Companies Act, 1956, any director appointed in the Board Meeting as an additional director shall hold office only up to the ensuing Annual General Meeting. The Company has received notice from the members under Section 257 of the Companies Act, 1956 along with the necessary deposit proposing candidature of above director. The Board recommends the resolution for the approval of members.

None of the Directors of the company is concerned or interested, directly or indirectly, in the proposed resolution except the Director himself to the extent of his appointment.

**Additional information**

(As per Clause 49 of the Listing Agreement)

As required under the Listing Agreement, the particulars of Directors who seek appointment/re-appointment are given below:

Name	:	Sri Pundlik Sampatrao Thakare
Age	:	62 years
Qualification	:	Chartered Accountant
Expertise	:	Sri Pundlik Sampatrao Thakare is a practicing Chartered Accountant at Nagpur having vast experience of 35 years in the field of Account and Finance
Other Directorships	:	Nil
Shareholding in the Company	:	Nil
Name	:	Sri Amit Goela
Age	:	47 years
Qualification	:	MBA(University of Florida)
Expertise	:	He is a partner & Research Head in Rare Enterprises (Portfolio Managers), Mumbai since 8 years
Other Directorships	:	04
Shareholding in the Company	:	Nil

**For and on behalf of the Board  
For Suryaamba Spinning Mills Ltd**

**Place: Nagpur  
Date: 06-07-2012**

**Virender Kumar Agarwal  
(Managing Director)**



## DIRECTORS REPORT

To,

The Members,

Your Directors are presenting their 5th Annual Report on the business and operations together with Audited Annual accounts of your Company for the Financial year ended 31st March 2012.

### Financial Results

(Rs. In Lakhs)

Sl. No.	Particulars	2011-12	2010-11
1	Sales and other Income	10223.50	12037.49
2	Profit Before interest and Depreciation	(44.45)	1142.82
3	Interest and Finance Charges	550.24	261.95
4	Depreciation	296.14	203.08
5	Profit after Interest and Depreciation	(890.83)	677.79
	<b>Provision for Taxation: -</b>		
6	(a) Current Tax	-	187.00
7	(b) Deferred Tax	(285.13)	30.91
8	Balance of Profit (or Loss)	(605.70)	459.88
	<b>Appropriations</b>		
9	Transfer to General Reserve	-	0.50
10	Dividend on Equity Share	-	22.28
11	Dividend on Preference Share	-	1.51
12	Dividend Tax	-	3.95
13	Preference Share Redemption Reserve	-	3.76
14	Surplus carried over to Balance Sheet	(2.56)	603.14

### Operations :

During the year, your company has achieved a Total turnover of Rs. 10,223.50 Lakhs (Rs. 12,037.49 Lakhs in the previous year) registering a decline of 15.06% over the previous year. The Company has recorded a Loss of Rs. 890.83 Lakhs as against the profit of Rs. 677.79 Lakhs in the previous year. During the year textile industry suffered a major setback due to fall in price margins and increase in the cost of raw material and hence the Company could not performed well.

### Exports

The export turnover (through merchant export) of your Company during the year was Rs. 447.60 Lakhs. Your Company has been exporting yarn to various countries like Brazil, USA, Argentina, Portugal and continue to explore new markets to improve performance. This trend of increase in exports expected to continue in the coming years.

### Future Outlook

The fall in price margins coupled with increase in interest cost and depreciation has resulted in loss to Company. It is largely because of the recessionary trend in the Europe and textile companies were under pricing pressure throughout the year. It is expected that the government will take adequate steps to provide relief to the textile industry.



Extension of moratorium period for new loans, conversion of eroded working capital into short term loan etc are under active consideration of the government and a relief package is likely to be declared by the government very soon. The home textiles and garment segments are reflecting some improvements and as such there is substantial scope for further growth in these segments. Your company believes that demand in emerging markets will be met by developing production system based on cost efficiency, high productivity, quality assurance and developing export market.

**Expansion Plan**

The Company has started implementation of expansion plan by addition of 12,096 Spindles at an estimated cost of Rs. 35 Crores to bring about further economy in production cost as well as substantial tax savings in future. After starting commercial production with 3024 spindles in 2010-11, balance expansion was deferred due to poor market off take in 2011-12. However, looking at the current promising scenario, Company is hoping to complete installation of 12096 spindles by the end of September this year.

**Deposits**

There were no overdue deposits as on 31st March 2012.

**Dividend:**

The Company's Financial performance is affected badly due to the prevailing market conditions and resulted in losses. Therefore keeping in view the current year's losses and the trends in the market it is thought to be prudent to skip the dividend on equity shares. Dividend on cumulative redeemable preference shares has also not been provided for the year. However as per the terms and conditions, Rs. 31.40 lakhs towards payment of same has been shown in contingent liabilities and shall be paid in future out of profits.

**Capital Expenditure**

During the year under review, your company has incurred Rs. 310.75 Lakhs (Previous Year Rs.2582.83 Lakhs) towards capital expenditure (including capital work-in-progress).

**Directors**

Sri. Pundlik Sampatrao Thakare retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. Board of Directors recommends his re-appointment.

Sri Amit Goela was co-opted as an Additional Director on the Board with effect from 18th July, 2011. It is proposed to regularize his appointment in the ensuing Annual General Meeting.

**Directors Responsibility Statement**

Pursuant to the requirements of Section 217(2AA) of the Companies Act, 1956, with respect to the Directors Responsibility Statement, the Board of Directors of your Company confirms that:

1. In the preparation of annual accounts for the year ended 31st March 2012, the applicable accounting standards have been followed and there has been no material departure.
2. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year ended on 31st March, 2012 and of the loss for the year under review;
3. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities; and



4. The Directors have prepared the accounts for the financial year ended on 31st March 2012 on a going concern basis.

**Corporate Social Responsibility:**

As an evolved and concerned corporate citizen, Suryaamba believes that corporate social responsibility (CSR) initiatives are a way to pay back societal debts and obligations. We do not see CSR as charity; nor even as a responsibility; but as an opportunity to change and help the society. Our CSR activities are conceived to bridge gaps in society and help transform communities around our workplace.

At Suryaamba, CSR activities are undertaken in various manners such as providing donations for social and cultural activities, conducting eye check-up camp, providing cold drinking water during summer season for travelers near to the factory and Corporate Office premises.

**Auditors**

M/s S. Venkatadri & Co., Chartered Accountants, Hyderabad have expressed their willingness to continue in office until conclusion of the next Annual General Meeting at a remuneration to be fixed by the Board of Directors.

Resolution seeking your approval on this item is included in the Notice of the ensuing Annual General Meeting.

**Auditors Qualification:**

No Qualification was made by the Auditor in their report on the accounts for the period ended 31st March 2012.

**Cost Auditor**

In pursuance of Section 233-B of the Companies Act, 1956, your Directors have Re-appointed M/s. G.R. Paliwal & Co., Nagpur, as the Cost Auditor for the financial year 2012-13, subject to the approval of Central Government.

**Corporate Governance:**

Management Discussion Analysis Report and

Corporate Governance report as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange are attached to this Report and forms part of this report.

**Conservation of Energy, Technology Absorption, Foreign Exchange Earning and Outgo:**

The details as required under the Companies (Disclosure of particulars in the report of Board of Directors) Rules 1988 are given in the Annexure -1 and form part of the report.

**Employees**

No employee was in receipt of remuneration in excess of the limits prescribed under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rule, 1975 and hence the prescribed information not required to be given.

**Acknowledgment**

The Board of Directors pleased to place on record their appreciation of the cooperation and support extended by State Bank of India, Axis Bank Ltd., various State and Central Government agencies, Stock Exchange and other Agencies. The Board would like to thank the Company's shareholders, Customers, Suppliers for the support and the confidence, which they have reposed in its management. The Board also wishes to place on record its appreciation of the valuable services rendered by all the employees of the company.

**For and on behalf of the Board of Directors  
For Suryaamba Spinning Mills Ltd**

**Virender Kumar Agarwal  
Managing Director**

**Seema Rani Agarwal  
Jt. Managing Director**

**Place: Nagpur  
Date: 06-07-2012**



**Annexure -1 Annexure to Directors Report**

Details required under Companies (Disclosure of particulars in report of Board of Directors) Rules, 1988 read with clause (e) of sub- Section (1) of Section 217 of the Companies Act, 1956.

**A) Conservation of Energy**

a) Energy conservation measures taken

The company has given priority for energy conservation and it has put continues efforts to reduce consumption of energy and has taken steps of continuous monitoring for replacement of conventional electrical motors etc. with improved technology. Higher productivity achieved by optimizing machinery efficiency also the Company opting for maximum benefits offered by electricity supplier as incentives.

b) The above measures have reflected in reduction of energy consumption during the year.

c) Further in our proposed expansion while selection of Machinery and utilities we are taking maximum care in modern technology and reduction of energy.

**FORM - A**

Form for Disclosure of particulars with respect to Conservation of Energy :

(Rs. In Lakhs)

Sr.No.	Particulars	2011-12	2010-11
<b>A</b>	<b>Power and Fuel Consumption</b>		
1)	Electricity		
	a) Purchased Unit	15699300	17439260
	Total Amount (Rs. In Lakhs)	917.47	773.38
	Average Rate: (Rs./Unit)	5.84	4.43
	b) Own Generation:		
	Through Diesel Generators	Nil	Nil
	Units (In Lakhs of KWH)	Nil	Nil
	Units per liter of diesel oil	Nil	Nil
2)	Coal (Rs. In Lakhs)	Not Used	Not Used
3)	Furnace Oil	Not Used	Not Used
4)	Others	Not Used	Not Used
<b>B</b>	<b>Consumption per Unit of Production</b>		
	Electricity (Units /kg of yarn)	2.02	1.87
	Coal	Not Used	Not Used
	Furnace Oil	Not Used	Not Used
	Others	Not Used	Not Used





**B) Technology absorption :**

Efforts made in technology absorption as per form B

**FORM B**

Form for disclosure of particulars with respect to absorption

**Research & Development (R&D)**

In order to meet the changed competitive conditions due to globalization and liberalization of the economy there is an urgent need for upgrading the technology levels currently prevailing in the industry. All these call for the preparation and implementation of proper action plan in which all the stakeholders i.e. the government, the weavers, and the other interest groups get fully involved. In an effort to adopt cutting edges technology, your company gives particular importance in the research, aiming at the better quality and increased market value.

1	Specific Areas in which R & D carried out by company	:	The company is having good R & D introduction and development of value added products.
2	Benefits derived as a result of the above R & D	:	High quality products have been developed, due to which the demand for the products of the company has considerably gone up.
3	Future Plans of Action	:	To develop more value added products and improve further quality of the products.
4	Expenditure on R & D	:	Expenditure on in-house R & D has been shown under respective heads of expenditure in the Profit & Loss Accounts as no separate account is maintained.

**Technology Absorption adaptation and innovation :**

1	Efforts in brief, made towards Technology Absorption and innovation	:	The company has adapted indigenous technology and made same. We have taken care of adoption of modern technology such as Auto waste collection, Auto doffing for our proposed expansion unit.
2	Benefits derived as result of the above efforts	:	Product improvement, increase in yield and quality has resulted from these efforts.
3	In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year) Following information may be furnished	:	No technology has been imported
	a) Technology Imported	:	Nil
	b) Year of import	:	Not Applicable
	c) Has technology been fully absorbed	:	Not Applicable
	d) If not fully absorbed, area where this has not taken place reasons there fore and future plans of actions	:	Not Applicable

**Foreign Exchange Earning & Outgo :**

a) Activities relating to exports, initiatives taken to increase exports, development of new exports markets for production and services and export plans	:	Export explorations activities mainly include development of export to new markets and increasing exports to traditional markets.
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**Total foreign exchange used & earned****(Rs. in Lakhs)**

		<b>2011-12</b>	<b>2010-11</b>
(i)	Foreign Exchange earned	Nil	Nil
	FOB value of exports	110.89	Nil
(ii)	Foreign Exchange used	Nil	Nil
	Import of capital goods	Nil	451.13
	Foreign travel	Nil	Nil
	Commission on export sales	Nil	Nil
	Raw Materials	Nil	Nil
	Spares	8.70	17.92

**For and on behalf of the Board of Directors**  
**For Suryaamba spinning Mills Ltd**

**Place: Nagpur**  
**Date: 06-07-2012**

**Virender Kumar Agarwal      Seema Rani Agarwal**  
**Managing Director          Jt. Managing Director**