



BOARD OF DIRECTORS

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

Managing Director
Joint Managing Director
Whole-time Director
Independent Director
Independent Director
Non-Executive & Non-Independent 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, Vittl 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:

09th September, 2013 to 11th September, 2013 (Both days inclusive).

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NOTICE

Notice is hereby given that 6th Annual General Meeting of the members of M/s. Suryaamba Spinning Mills Limited will be held on Wednesday, 11h September, 2013 at 02.30 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 Statement of Profit & Loss for the year ended 31st March 2013 and Balance Sheet as on that date and the Reports of the Directors and Auditors thereon.

2. To declare dividend on 8% Cumulative Redeemable Preference Shares (CRPS) for the financial year ended 31st March, 2013

3. To declare dividend on Equity Shares for the financial year ended 31st March, 2013.

4. Re-appointment of Sri Amit Goela as Director of the Company

To appoint a director in place of Sri. Amit Goela, who retires by rotation and being eligible, offers himself for re-appointment.

5. 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:

6. Appointment of Sri Pujit Agarwal as Director of the Company.

To Consider and if thought fit, to pass with or without modification (s) the following 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 Pujit Agarwal, who was appointed as an Additional Director in the Board Meeting held on 05th July, 2013 as per Section 260 of the Companies Act, 1956 and who ceases to be a Director on the commencement of 6th Annual General Meeting be and is hereby appointed as the Director of the company whose office is liable to retire by rotation".

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

"RESOLVED THAT in super session to the earlier resolution (s) passed in this regard and pursuant to the provisions of Sections 198, 269, 309, 310 read with Schedule XIII of the Companies Act, 1956, consent of the members of the Company be and is hereby accorded to ratify the re-appointment of Sri Mayank Agarwal as Whole Time Director of the Company for a period of three years with effect from 01st August, 2012 to 31st July, 2015 on the following terms and conditions:

Salary : 95,000/- per month.

Commission : At the rate of 2% of the net profits of the Company or 40% of the Annual Salary whichever is less.

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



Category A:

1. **Housing :** Rent free furnished residential accommodation with all facilities and amenities including such service as gas, electricity, water, etc, or HRA to the extent of 40% of the salary.
2. **Medical Reimbursement :** Expenses incurred for self and his family subject to a ceiling of one month's salary per year or three months salary in a period of 3 years.
3. **Leave Travel Concession :** For self and family once in a year incurred in accordance with the rules of the Company.
4. **Club Fees :** Fees of clubs subject to a maximum of to clubs, admission and life membership fees not being allowed.
5. **Personal Accident Insurance :** of an amount the premium of which not to exceed Rs. 4,000/- per month.

Category B:

1. Contribution by the Company to the Provident Fund, Superannuation Fund or Annuity Fund as per the rules of the Company.
2. Payment of Gratuity subject to an amount equal to half a month's salary for each completed year of service.

Category C:

The Company shall provide a car with driver and a telephone at the residence. Car for use on Company's business and telephone and other communication facilities at residence will not be considered as perquisites.

"RESOLVED FURTHER THAT notwithstanding the absence or inadequacy of profits in any financial year, the above remuneration shall be allowed and paid as a minimum remuneration to Sri Mayank Agarwal during his tenure of office.

"RESOLVED FURTHER THAT the necessary forms/returns as may be prescribed in this regard signed by any one director of the company be filed with the Registrar of Companies, Andhra Pradesh".

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

**Virender Kumar Agarwal
(Managing Director)**

**Place : Nagpur
Date: 06.08.2013**



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 business set out under item no. 6 & 7.
3. The Registers of Members and Share transfer books will remain closed from 09th September, 2013 to 11th September, 2013 (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 Computer share (P) Ltd. 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 their copy of annual report to the Annual General Meeting.
10. The Annual report of the Company for the year 2012-13, is also uploaded on the Company's website www.suryaamba.com.



Explanatory Statement

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

Item No.6: Appointment of Sri Pujit Agarwal as Director of the Company.

In order to have optimum mix of Directors on the Board, Pujit Agarwal has been appointed as an additional director of the Company in the Board Meeting held on 05th July, 2013 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 a member 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.

Sri Virender Kumar Agarwal Managing Director, Smt Seema Rani Agarwal, Joint Managing Director and Sri Mayank Agarwal, Whole-time Director are related to the appointee director and deemed to be interested in the proposed resolution. None of the other Directors are interested except the Director himself to the extent of his appointment.

Item No.7: Re-appointment of Sri. Mayank Agarwal as Whole-time Director of the Company

Board of Directors has re-appointed Sri Mayank Agarwal, as Whole- Time Director of the Company in their meeting held on 27th July, 2012 for a further period of 3 years w.e.f. 01st August, 2012 on the terms and conditions as specified in the resolution above. The appointment requires the approval of members in general meeting.

Sri Mayank Agarwal, is a young and energetic person with lots of dedication and hard work towards his work. In the past years, he has done a tremendously appreciable job through his skills and great working style. He has highly contributed in the growth of the Company and has enough Industrial Experience. As he is of less than 25 years old and his re-appointment as Whole-time Director requires the approval of members by Special resolution as required under Schedule XIII to the Companies Act, 1956.

Sri Virender Kumar Agarwal, Smt Seema Rani Agarwal and Sri Pujit Agarwal being relative to the appointee Director each other are considered to be concerned or deemed to be interested in the proposed resolution. None of the other Directors are interested except the Director himself to the extent of his appointment.

Board of Director's accordingly recommend the resolutions as set out at item 6 & 7 of the accompanying Notice for the approval of members.

Additional Disclosure about the appointee as per Schedule XIII Part II of the Companies Act, 1956:

1. Nature of Industry

Suryaamba Spinning Mills is basically into the manufacturing of Synthetic blended yarns of Polyester Viscose. Currently Company has one ISO certified Manufacturing unit with a total capacity of 33,120 spindles. Indian textile Industry is one of the leading textile industries in the world.

2. Date of commencement of commercial production

Commercial Operations of the Company have started during the year 2007.

3. Financial performance:

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



(Figures in ₹ Lakhs)

Items	2011-12 (12months ended on 31st March, 2012)	2010-11 (12months ended on 31st March, 2011)	2009-10 (12 months ended on 31st March, 2010)
Income from Operations (Gross)	10223.50	12037.49	8556.94
Profit/Loss Before Interest Depreciation & tax	(88.78)	1063.08	486.78
Profit/ Loss after Tax	(605.70)	459.88	27.41

4. Export performance and net foreign exchange earning

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

Items	2011-12	2010-11	2009-10
FOB value of goods exported	110.89	Nil	Nil

5. Foreign investments or collaborators, if any.

At present the Company does not have any investment or Collaboration with any individual or Body Corporate.

II Information about the appointee:

1. Background details

Sri Mayank Agarwal, has a Degree in Industrial Engineering. He is from the family with over six decades of experience in textile business. he has ben associated with the Company from 1st August, 2009. He is a new and young talent who will probably give new heights to the growth of the company.

2. Past remuneration

During the Financial Year 2011-12 he was drawing the following remuneration:

Salary	Perquisites	Contribution to PF	Total
9,55,800	5,41,588	1,14,696	16,12,084

3. Recognition or awards

Nil

4. Job profile and his suitability

Sri Mayank Agarwal, Executive Director has been taking care of the marketing sector of the Company. Since his tenure as Whole Time 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:

He is proposed to pay the remuneration as decided by the Board of Directors.



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 w.r.t. the country of his origin):**

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

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

Except Smt. Seema Rani Agarwal, Joint Managing Director, Sri Virender Kumar Agarwal, Managing Director of the Company, Sri Pujit Agarwal, Additional Director and Sri Mayank Kumar Agarwal, Executive himself, none of the others have any pecuniary relationship directly with the Company.

III. Other information:

1. **Reasons for inadequate profits**

The Company has significantly expanded its Textile business and the Segment has normally a long gestation period. Textile Sector suffered a major setback due to fall in price margins and increase in the cost of raw material and hence Company could not perform well.

2. **Steps taken or proposed to be taken for improvement**

In tune with the changing trend, the Company has already further expanded its production capacity to meet the growing demands in the market.

3. **Expected increase in productivity and profits in measurable terms.**

Company is poised to increase high turnover and profitability in the coming years.

Board of Directors recommends the resolution for your approval.

None of the Directors of the Company except Sri. Mayank Agarwal, Whole Time Director himself, Sri Virender Kumar Agarwal, Managing Director, Smt. Seema Rani Agarwal, Joint Managing Director and Sri Pujit Agarwal, Additional Director being his relatives are interested in the said resolution.

Details Stated above and as contained in resolutions under Item No. 7 may be regarded as an abstract of the Memorandum of Interest under section 302 of the Companies Act 1956 and that pursuant to the provisions of Section 309 of the Companies Act, 1956, the terms of the appointment specified in the resolution is placed before the members for their approval.

The Explanatory Statement together with the accompanying notice may be treated as an abstract of terms of appointment pursuant to Section 302 of the Companies Act, 1956.

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

**Place: Nagpur
Date: 06.08.2013**

**Virender Kumar Agarwal
(Managing Director)**



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:

1. Name	:	Sri Amit Goela
Age	:	48
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
2. Name	:	Sri.Pujit Agarwal
Age	:	18 years
Qualification	:	Pursuing Graduation
Expertise	:	Sri Pujit Agarwal is a young talent who is having a good academic career and great zeal to learn.
Other Directorships	:	Nil
Shareholding in the Company	:	Nil
3. Name	:	Sri. Mayank Agarwal
Age	:	23 years
Qualification	:	Bachelor of Industrial Engineerin (University of Michigan, USA)
Expertise	:	Sri. Mayank Agarwal is a young talent who is having a good academic career and great zeal to learn. He is making efforts to increase the profitability of the Company through his marketing skills.
Other Directorships	:	Nil
Shareholding in the Company	:	1,37,053 Equity shares of the Company.

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

**Place: Nagpur
Date: 06-08-2013**

**Virender Kumar Agarwal
(Managing Director)**

**DIRECTORS REPORT**

To,

The Members,

Your Directors have pleasure in presenting their 6th Annual Report on the Business and operations together with Audited Annual accounts of your Company for the Financial year ended 31st March, 2013.

Financial Results**(₹ In Lakhs)**

S. No.	Particulars	2012-13	2011-12
1.	Sales and other Income	13518.98	10223.50
2.	Profit Before interest and Depreciation	1050.80	(44.45)
3.	Interest and Finance Charges	473.84	550.24
4.	Depreciation	285.36	296.14
5.	Profit after Interest and Depreciation	291.60	(890.83)
	Provision for Taxation: -		
6.	(a) Current Tax	63.48	-
7.	(b) Deferred Tax	20.84	(285.13)
8.	Balance of Profit (or Loss)	207.28	(605.70)
	Appropriations:-		
9.	Transfer to General Reserve	0.50	-
10.	Dividend on Equity Share	23.52	-
11.	Dividend on Preference Share	93.24	-
12.	Dividend Tax	19.84	-
13.	Preference Share Redemption Reserve	-	-
14.	Surplus carried over to Balance Sheet	67.62	(2.56)

Operations:

During the year, your company has achieved a Total turnover of ₹ 13518.98 Lakhs (₹10,223.50 Lakhs in the previous year) registering an increase of 32.23% over the previous year. The Company has recorded a Profit of ₹ 291.60 Lakhs as against the loss of ₹ 890.93 Lakhs for 2011-12. During the year textile industry has recovered from the last years' recession and performed well on an average.

Exports

The export turnover (through merchant export) of your Company during the year was ₹ 1066.69 Lakhs (₹447.60 Lakhs in the previous year) registering an increase of 138.31% over the previous year. Your Company has been exporting yarn to various countries like Brazil, USA, Singapore, Argentina, Portugal and continue to explore new markets to improve performance. This trend of increase in exports expecting to continue in the coming years.

Future Outlook

The economy is in the stage of prosperity 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 and EU and they have recovered from the recession of the past years. The domestic market is also on the path of healthy growth because of the fact that few manufacturing facilities operating abroad are slowing 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.

Expansion Plan

Out of 15,552 spindles Expansion plan the Company has started commercial production with 5,040 spindles and is hoping to complete entire Expansion Project by this year end at an estimated cost of ₹ 35 Crores. This will bring about further economy in production cost as well as substantial tax savings in future.

Deposits

There were no overdue deposits as on 31st March 2013.

Dividend

Your Directors have recommended payment of dividend on 8% cumulative Redeemable preference shares as per the terms and conditions of the issue. The dividend will absorb a sum of ₹ 93,23,792/- (Which includes dividend of ₹ 31,39,792/- for the previous year)

Your Directors are pleased to recommend a dividend of 10% on the Equity Share Capital of the Company for the Financial year ended 31st March, 2013. The dividend will absorb a sum of ₹ 23,52,000/-.

The Corporate dividend tax levied will be ₹ 19,84,301/-.

Transfer to Reserves

Your Company propose to transfer ₹ 0.50/- Lakhs to General Reserve account of the company for the year.

Directors

Sri . Amit Goela, 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. Pujit Agarwal, was co-opted as an Additional Director on the Board with effect from 5th July, 2013. It is proposed to regularize his appointment in the ensuing Annual General Meeting.

During the year, Board has re-appointed Sri. Mayank Agarwal, as Whole-Time Director of the company for a further period of 3 years with effect from 1st August, 2012.

Board of Directors recommends his re-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 2013, 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, 2013 and of the profit 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, 2013 on a going concern basis.