



SURYAAMBA SPINNING MILLS LIMITED

12th
ANNUAL
REPORT 18-19



ABOUT US

SURYAAMBA SPINNING MILLS LIMITED (SSML), a manufacturer of synthetic spun yarn, offering wide range of fancy, synthetic yarns in grey, dyed and melange single and multifold, suiting, knitwear, chenille fabrics, sewing threads, sweater knitting and shawls rexine.

OUR VISION

We envision to remain at the forefront of high quality textile products manufacturing. Remain efficient and positive in developing new market and endeavour for customer satisfaction. Excel through constant innovation.

OUR MISSION

We commit to provide eco-friendly yarn products for home and industrial textile applications. Superior quality products at competitive prices. Maintaining high ethical and professional business standard.

OUR VALUES

- Customer Centricity
- Integrity
- Excellence
- Innovation
- Ethics

EVERY YARN

'AN ARTFUL STORY SPUN WITH PRECISION'



Suryaamba Spinning Mills Limited | Annual Report 2018-19

20+ Countries
we go



ISO 9001:2015
certified



Quality Assured
Product



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Cautionary Statement Regarding Forward-Looking Statement

This Report may contain certain forward-looking statements relating to the future business, development and economic performance. Such Statements may be subject to a number of risks, uncertainties and other important factors which could cause actual developments and results to differ materially from the statements made in this Report. Suryaamba assumes no obligation to update or alter forward-looking statements whether as a result of new information, future events or otherwise.



Corporate Information

BOARD OF DIRECTORS

Mr. Virender Kumar Agarwal
Chairman & Managing Director

Mrs. Seema Agarwal
Joint Managing Director

Mr. Mayank Agarwal
Wholetime Director

Mr. Amit Goela
Independent Director

Mr. Sushil Kapadia
Independent Director

Mr. Manish Kumar
Independent Director (upto 30.03.2019)

Mr. Nilesh Panpaliya
Independent Director (w.e.f 03.07.2019)

CHIEF FINANCIAL OFFICER

Mr. Gajanan N. Chhawsaria

COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Deepa Dudani

AUDIT COMMITTEE

Mr. Amit Goela
Chairman

Mr. Sushil Kapadia
Member

Mrs. Seema Agarwal
Member

STAKEHOLDERS' RELATIONSHIP COMMITTEE

Mr. Amit Goela
Chairman

Mr. Sushil Kapadia
Member

Mrs. Seema Agarwal
Member

NOMINATION AND REMUNERATION COMMITTEE

Mr. Amit Goela
Chairman

Mr. Sushil Kapadia
Member

Mr. Manish Kumar
Member (upto 30.03.2019)

Mr. Nilesh Panpaliya
Member (w.e.f 03.07.2019)

REGISTRAR & TRANSFER AGENTS

Karvy Fintech Private Limited
(Formerly known as Karvy Computershare Private Ltd.)
Karvy Selenium Tower B, Plot No 31 & 32
Financial District, Nanakramguda, Serilingampally
Mandal, Hyderabad-500 032.
E-mail: einward.ris@karvy.com
Website: www.karvyfintech.com

STATUTORY AUDITORS

M/s. S. Venkatadri & Co.,
1408, Babukhan Estate, Basheer Bagh,
Hyderabad- 500 001.

BANKERS

State Bank of India
Industrial Finance Branch, Bharat Nagar,
Nagpur- 440 033.

REGISTERED OFFICE

1st Floor, Suryatowers, 105, S P Road
Secunderabad TG- 500 003
Tel.No. 040 27813360
E-mail: samba.ngp@gmail.com
Website: www.suryaamba.com

FACTORY

Survey No.300, Nayakund, Parseoni Road, Dist.
Nagpur, Maharashtra- 441 105.

CIN: L18100TG2007PLC053831
ISIN: INE360J01011
GSTN: 27AALCS4199Q1Z8
Listed on: BSE LTD.
BSE Scrip Code: 533101

**NOTICE**

Notice is hereby given that the **Twelveth (12th) Annual General Meeting** of the members of **SURYAAMBA SPINNING MILLS LIMITED** will be held on **Monday, 19th August, 2019 at 10.30 A.M. at Kamat Lingapur Hotel, 1-10-44/2, Chikoti Garden Road, Old Patigadda, Chikoti Gardens, Begumpet, Hyderabad, Telangana 500016, India** to transact the following business:

ORDINARY BUSINESS:**1. Adoption of Audited Standalone Financial Statements.**

To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended 31st March, 2019, together with the Reports of the Board of Directors and Auditors thereon.

2. Declaration of Dividend on Preference Shares.

To declare dividend on Cumulative Redeemable Preference Shares (CRPS) of the Company for the financial year ended 31st March, 2019.

3. Declaration of Dividend on Equity Shares.

To declare dividend @ 10% (i.e. ₹1.00/- per equity share) for the financial year ended 31st March, 2019.

4. Appointment of Mr. Virender Kumar Agarwal, (DIN: 00013314) Managing Director of the Company, liable to retire by rotation.

To appoint a Director in place of Mr. Virender Kumar Agarwal, (DIN: 00013314) Managing Director of the Company, who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:**5. Ratification of Cost Auditor's remuneration**

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Company hereby ratifies the remuneration of ₹ 50,000 plus applicable taxes and out-of-pocket expenses incurred in connection with the cost audit, payable to M/s G. R. Paliwal & Co. (Firm Registration No. 100058), who is appointed as Cost Auditor of the Company to conduct the audit of the cost records maintained by the Company for the financial year ending 31st March, 2020.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

**6. Appointment of Mr. Sushil Kapadia (DIN 01730944) as an Independent Director of the Company.**

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 of the Companies Act, 2013 ('the Act') read with Schedule IV and all other applicable provisions of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 17, and other applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Sushil Kapadia (DIN: 01730944), who has been appointed as an Additional Director of the Company by the Board of Directors with effect from 11th November, 2018 in terms of Section 161 (1) of the Act and Articles of Association of the Company and who has submitted a declaration under Section 149(7) of the Act and Regulation 25(8) of the Listing Regulations that he meets the criteria for independence as provided in the Act and the Listing Regulations and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of Director, be and is hereby appointed as an Independent Non-Executive Director of the Company to hold office for a term of five (5) consecutive years upto 10th November, 2023.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and things as it may deem necessary and authorize executives of the Company for the purpose of giving effect to this Resolution.”

7. Appointment of Mr. Nilesh Panpaliya (DIN: 08499844) as an Independent Director of the Company.

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 of the Companies Act, 2013 ('the Act') read with Schedule IV and all other applicable provisions of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 17, and other applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Nilesh Panpaliya (DIN: 08499844), who has been appointed as an Additional Director of the Company by the Board of Directors with effect from 03rd July, 2019 in terms of Section 161 (1) of the Act and Articles of Association of the Company and who has submitted a declaration under Section 149(7) of the Act and Regulation 25(8) of the Listing Regulations that he meets the criteria for independence as provided in the Act and the Listing Regulations and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of Director, be and is hereby appointed as an Independent Non-Executive Director of the Company to hold office for a term of five (5) consecutive years upto 02nd July, 2024.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and things as it may deem necessary and authorize executives of the Company for the purpose of giving effect to this Resolution.”



8. Re-appointment of Mr. Amit Goela (DIN: 01754804) as an Independent Director of the Company for a second term of 5 consecutive years.

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to provisions of Sections 149, 152 and any other applicable provisions, if any, of the Companies Act, 2013 ('the Act') read with Schedule IV to the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 17 and other applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as amended (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Amit Goela (DIN: 01754804), Independent Non-Executive Director of the Company who has submitted a declaration under Section 149(7) of the Act and Regulation 25(8) of the Listing Regulations that he meets the criteria for independence as provided in the Act and the Listing Regulations and who is eligible for re-appointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for a second term of five (5) consecutive years commencing from 9th August, 2019 till 8th August, 2024.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and things as it may deem necessary and authorize executives of the Company for the purpose of giving effect to this Resolution.”

9. Re-appointment of Mr. Sushil Kapadia (DIN 01730944) as an Independent Director of the Company for a second term of 5 consecutive years.

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to provisions of Sections 149, 152 and any other applicable provisions, if any, of the Companies Act, 2013 ('the Act') read with Schedule IV to the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 17 and other applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as amended (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Sushil Kapadia (DIN 01730944), Independent Non-Executive Director of the Company who has submitted a declaration under Section 149(7) of the Act and Regulation 25(8) of the Listing Regulations that he meets the criteria for independence as provided in the Act and the Listing Regulations and who is eligible for re-appointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for a second term of five (5) consecutive years commencing from 11th November, 2018 till 10th November, 2023.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and things as it may deem necessary and authorize executives of the Company for the purpose of giving effect to this Resolution.”

10. Payment of Managerial Remuneration in view of the Amended Provisions of Section 197(1) of the Companies Act, 2013.

To consider and, if thought fit, to pass the following Resolution as a Special Resolution:



"RESOLVED THAT in accordance with the provisions of Section 197 of the Companies Act, 2013 ('the Act') as amended vide Companies (Amendment) Act, 2017, read with Schedule V and all other applicable provisions, if any, of the Act and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the recommendation of Nomination & Remuneration Committee, approval of the members of the Company be and is hereby accorded for payment of managerial remuneration for financial year 2018-19 and all subsequent financial years, in excess of the limits prescribed under the second proviso to Sub-Section (1) of Section 197 of the Act as under:

- (a) exceeding five per cent of net profits of the Company to any one Managing Director or Whole Time Director or Manager;
- (b) where there is more than one Managing Director or Whole Time Director, exceeding ten per cent of the net profits of the Company to all such Directors and Manager; and
- (c) exceeding one percent of net profits of the Company to all Directors who are neither Managing Director nor Whole Time Director of the Company.

RESOLVED FURTHER THAT the total managerial remuneration payable by the Company to its Directors, including Managing Director and Whole-time Director, in respect of any Financial Year shall not exceed as authorized by the Company in general meeting and subject to the provisions of Schedule V to the Act.

RESOLVED FURTHER THAT the Board of Directors and/or the Nomination and Remuneration Committee of the Company be and is hereby authorized to do all such acts, deeds and things as it may deem necessary and authorize executives of the Company for the purpose of giving effect to this Resolution."

11. Payment of remuneration to Executive Directors in terms of Regulation 17(6)(e) of SEBI Amended Regulations.

To consider and, if thought fit, to pass the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Regulation 17(6)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amended) Regulations, 2018 and other applicable provisions (including any statutory modification(s) or re-enactment thereof for the time being in force), the approval of the Company be and is hereby accorded for payment of remuneration to the Executive Directors viz., Mr. Virender Kumar Agarwal, Managing Director (DIN: 00013314), Mrs. Seema Agarwal, Joint Managing Director (DIN: 01430206) and Mr. Mayank Agarwal, Wholetime Director (DIN: 02749089) who are Promoters or members of Promoter Group at such terms and conditions as approved by the members at the 11th Annual General meeting of the Company held on 24th August, 2018, notwithstanding that the annual aggregate remuneration payable to, Executive Directors exceeds 5% of the net profit of the Company as calculated under section 198 of the Companies Act, 2013 in any financial year during the remaining tenure of their appointment.



RESOLVED FURTHER THAT the Board of Directors and/or the Nomination and Remuneration Committee of the Company be and is hereby authorized to do all such acts, deeds and things as it may deem necessary and authorize executives of the Company for the purpose of giving effect to the above Resolution."

12. Increase in the borrowing limits pursuant to the provisions of section 180(1)(c) of the Companies Act, 2013.

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT in supersession of the earlier special resolution passed at the Annual General Meeting held on 9th August, 2014 and pursuant to Section 180(1)(c) of the Companies Act, 2013 and rules framed thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) and any other applicable laws and provisions of Articles of Association of the Company, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company or Committee thereof (the "Board") to borrow such sum of moneys, from time to time, at its discretion, with or without security, and upon such terms and conditions as the Board may think fit, for the purpose of business of the Company, such that the moneys to be borrowed together with the moneys already borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid up capital, free reserves and securities premium provided that the total amount so borrowed by the Board shall not at any time exceed ₹ 300 crores (Rupees Three Hundred Crore Only) or the aggregate of the paid up capital, free reserves and securities premium of the Company, whichever is higher.

RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as it may deem necessary and authorize executives of the Company for the purpose of giving effect to this Resolution."

13. Creation of Charge on properties of the Company, in respect of borrowings.

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT in supersession of the earlier special resolution passed at the Annual General Meeting held on 5th August, 2016 and pursuant to Section 180(1)(a) of the Companies Act, 2013 and rules framed thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) and any other applicable laws and provisions of Articles of Association of the Company, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company or Committee thereof (the "Board") to create such charge, mortgage, pledge, hypothecation and security in addition to the existing charges, mortgages, hypothecations and security created by the Company, on such movable and immovable properties, both present and future, and in such manner as the Board may deem fit, in favour of banks, financial institutions, investors and any other lenders or debenture trustees to secure the amount borrowed by the Company for the due payment of the principal and/or together with interest, charges, costs, expenses and all other monies payable by the Company in respect of such borrowings provided that the aggregate indebtedness secured by the assets of the Company does not exceed ₹ 300 crores (Rupees Three Hundred Crore Only) at any time."



RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things, to execute all such documents, instruments and writings and authorize executives as may be required to give effect to this Resolution."

Notes:

1. An Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013, in respect of special business to be transacted at the Annual General Meeting (AGM) and the relevant details of the Directors seeking re - appointment required by Regulation 26(4) and 36(3) of Listing Regulations is annexed.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE 12TH ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

The instrument appointing the Proxy, in order to be valid and effective, should be lodged / deposited with the Company at its Registered Office not less than 48 (forty eight) hours before the commencement of the Annual General Meeting.

A person can act as a Proxy on behalf of Members not exceeding 50 (fifty) and holding in the aggregate not more than 10% (ten percent) of the total share capital of the Company carrying voting rights. A Member holding more than 10% (ten percent) of the total share capital of the Company carrying voting rights may appoint a single person as Proxy and such person shall not act as a Proxy for any other person or Member.

Corporate Members intending to send their authorised representative(s) to attend the Meeting are requested to send to the Company a certified copy of the Board resolution authorising their representative(s) to attend and vote on their behalf at the Meeting.

Members / Proxies are requested to bring duly filled Attendance Slip to attend the Meeting, along with their copy of Annual Report.

3. Book Closure and Dividend:

The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 10th August, 2019 to Monday 19th August, 2019 (both days inclusive).

Payment of dividend for the financial year ended 31st March, 2019:

- i. final dividend for the financial year ended 31st March, 2019, as recommended by the Board of Directors, if approved by the members at the AGM, will be paid within the statutory time limit of 30 days, to those members whose names appear on the Register of Members as on Friday, 9th August, 2019.
- ii. members holding shares in electronic form are hereby informed that bank particulars registered with their respective Depository Participants (DP), with whom they maintain their demat accounts, will be used by