

SURYALATA SPINNING MILLS LIMITED

BOARD OF DIRECTORS

Sri R. Surender Reddy
Sri K. Srinivas Reddy
Sri K. Lakshmikanth Reddy
Sri R.S. Agarwal
Sri Vithaldas Agarwal
Sri Mahender Kumar Agarwal
Sri Yash Agarwal

Chairman
Director
Director
Director
Managing Director
Joint Managing Director
Executive Director (w.e.f. 24-07-2010)

GENERAL MANAGER (Finance)
Sri K. Nageswara Rao

REGISTERED OFFICE

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

AUDITORS

M/s. Brahmayya & Co.,
Flat No.403 & 404,
Golden Green Apartments,
Irrummanzil Colony,
Hyderabad – 500 082.

REGISTRAR & TRANSFER AGENTS

M/s. Sathguru Management Consultants Private Limited,
Plot No.15, Hindi Nagar,
Panjagutta, Hyderabad – 500 034.

BANKERS

State Bank of India
Industrial Finance Branch,
Hyderabad.

IDBI Bank Limited
Chennai

FACTORIES

Marchala Village,
Kalwakurthy Mandal,
Mahaboobnagar District,
Andhra Pradesh.

Urukondapet Village,
Midjil Mandal,
Mahaboobnagar District,
Andhra Pradesh.

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NOTICE OF THE 27TH ANNUAL GENERAL MEETING

NOTICE is hereby given that the Twenty Seventh Annual General Meeting of the Members of SURYALATA SPINNING MILLS LIMITED will be held on Thursday, 23rd September, 2010 at 11.00 A.M. at Kamat Lingapur Hotel, 1-10-44/2, Chikoti Gardens, Begumpet, Hyderabad - 500 016 to transact the following business:

ORDINARY BUSINESS

- (1) To receive, consider and adopt the audited Profit and Loss Account for the year ended 31st March, 2010 and the audited Balance Sheet as on that date and the reports of the Auditors and Directors thereon.
- (2) To declare dividend on Cumulative Redeemable Preference Shares for the financial year ended 31st March, 2010.
- (3) To declare dividend on Equity Shares of the Company for the financial year ended 31st March, 2010.
- (4) To appoint a Director in place of Sri R. Surender Reddy, 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 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. Brahmayya & Co., Chartered Accountants, Hyderabad (Registration No. 000513S) be and are hereby re-appointed as 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) To consider and if thought fit, to pass with or without modification (s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 311 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII thereof as amended up to date, consent of the members of the Company be and is hereby accorded to re-appoint Sri Mahender Kumar Agarwal as a Joint Managing Director of the Company for a further period of 5 Years with effect from 1st January, 2011 to 31st December, 2015 on the remuneration and other terms as given in the following resolution:

RESOLVED FURTHER THAT the remuneration of Sri Mahender Kumar Agarwal, Joint Managing Director be and is hereby revised with effect from 1st July, 2010 for a period of 3 years on the following terms:

- (1) **Salary:** Rs.1,40,000/- (Rupees One Lakh Forty Thousand Only) Per month.
- (2) **Commission:** At the rate of 2% of the net profits of the Company with effect from the Financial Year 2010-11.
- (3) **Perquisites and / or allowances:** In addition to the salary and commission as stated above, Sri Mahender Kumar Agarwal, Joint Managing Director shall be entitled to the following perquisites and / or allowances:

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 Rs. 9,60,000/- (Rupees Nine Lacs Sixty Thousand only) per annum.

- (i) **Housing:** Rent-free furnished residential accommodation with all facilities and amenities including such services as gas, electricity, water etc., or HRA to the extent of 40% of the salary.
- (ii) **Medical Reimbursement:** Medical expenses incurred for self and family subject to a ceiling of one month's salary per year or three month's salary in a period of three years.

- (iii) Leave Travel Concession: For self and family once in a year incurred in accordance with the rules of the Company.
- (iv) Club Fee: Fee of clubs subject to a maximum of two clubs, admission and life (corporate) membership fee for any one club.
- (v) Personal Accident Insurance: Of an amount, the premium of which not to exceed Rs.4,000/- per annum.

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

CATEGORY - B

- (a) Contribution by the Company to Provident Fund, Superannuation Fund or Annuity Fund as per the rules of the Company.
- (b) 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 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 subject to the provisions of Section II of Part II of Schedule XIII of the Companies Act, 1956."

- (7) **To consider and if thought fit, to pass with or without modification (s), the following resolution as a Special Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Sections 198, 269, 309, 311 and other applicable provisions, if any, of the Companies Act, 1956, read with schedule XIII thereof as amended upto date, approval of members of the Company be and is hereby accorded to revise the remuneration payable to Sri Vithaldas Agarwal, Managing Director with effect from 1st July, 2010 for a period of three years on the following terms:

- 1. **Salary** : Rs. 1,70,000/- (Rupees One Lakh and Seventy Thousand only) per month.
- 2. **HRA** : 50% of Salary
- 3. **Commission** : At the rate of 2% of the net profits of the Company with effective from the Financial year 2010-11.
- 4. **Perquisites**: In addition to the salary and commission as stated above Sri Vithaldas Agarwal, Managing Director shall be entitled to the following perquisites:

CATEGORY - A

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

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 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 Vithaldas Agarwal, Managing Director subject to the provisions of section II of Part II of Schedule XIII of the Companies Act, 1956."

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

"**RESOLVED THAT** pursuant to Section 257 of the Companies Act, 1956 read with the enabling provisions of the Articles of Association of the Company, consent of the members of the Company be and is hereby accorded to appoint Mr. Yash Agarwal, who has been co-opted as an Additional Director of the Company u/s. 260 of the Companies Act, 1956, and who ceases to be a Director on the commencement of this 27th Annual General Meeting, as a Director of the Company liable to retire by rotation.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 198,269,309 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule

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XIII thereof as amended up to date consent of the members of the Company be and is hereby accorded to approve and ratify the appointment of Mr. Yash Agarwal as a Whole-time Director of the Company with a designation as an "Executive Director" made by the Board of Director for a period of 5 years w.e.f. 24th July, 2010 and at the following remuneration for a period of 3 years w.e.f. 24th July, 2010 as mentioned below:

- (a) **Salary:** Rs. 1,20,000/- (One Lakh Twenty Thousand only) per month.
- (b) **Perquisites and / or Allowances:** In addition to the salary as stated above Mr. Yash Agarwal, Executive Director shall be entitled to the following perquisites and / or allowances:

CATEGORY - A

Following perquisites and / or allowances given in Category A will be allowed in addition to the salary, restricted to an amount of Rs. 2,50,000/- (Rupees Two Lakh Fifty Thousand only) per annum.

- (i) **Medical Reimbursement:** Medical expenses incurred for self subject to a ceiling of one month's salary per year or three month's salary in a period of three years.
- (ii) **Leave Travel Concession:** For self once in a year incurred in accordance with the rules of the Company.
- (iii) **Personal Accident Insurance:** Of an amount, the premium of which not to exceed Rs.4,000/- per annum.

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

CATEGORY - B

- (1) Contribution by the Company to 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 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 Mr. Yash Agarwal, Executive Director subject to the provisions of Section II of Part II of Schedule XIII of the Companies Act, 1956."

- (9) **To consider and if thought fit, to pass with or without modification (s), the following resolution as a Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 81 (1), 81(1A) and all other applicable provisions of the Companies Act, 1956 (including any statutory modification(s) or enactment thereof, for the time being in force) and pursuant to the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("SEBI ICDR Regulations") as in force and subject to all other applicable rules, regulations, notifications and circulars of the Securities and Exchange Board of India ("SEBI"), the applicable provisions of Foreign Exchange Management Act, 1999 ("FEMA"), rules, regulations, guidelines, notifications and circulars issued under FEMA including but not limited to Foreign Exchange Management (Transfer or issue of Security by a Person Resident Outside India) Regulations, 2000, provisions of Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Receipt Mechanism) Scheme, 1993 and enabling provisions of the Memorandum and Articles of Association of the Company and the Listing Agreements entered into by the Company with Stock Exchanges where the shares of the Company are listed, and subject to requisite approvals, consents, permissions and/or sanctions of SEBI, the Stock Exchanges, Reserve Bank of India ("RBI"), the Department of Industrial Policy and Promotion, Ministry of Commerce, the Foreign Investment Promotion Board ("FIPB"), and all other authorities as may be required, whether in India or outside India, (hereinafter

collectively referred to as "Appropriate Authorities"), and subject to such conditions as may be prescribed by any of them while granting any such approval, consent, permission, and/or sanction(hereinafter referred to as "Requisite Approvals"), which may be agreed to by the Board of Directors in this regard, consent of the Board of Directors be and is hereby accorded to create, offer, issue and allot in one or more trenches, in the course of domestic/international offerings to one or more persons as the Board may determine at its absolute discretion, whether or not they are members of the Company, including but not limited to Domestic Investors/Foreign Investors whether having presence in India or not /Institutional Investors/Foreign Institutional Investors, Members, Employees, Non-Resident Indians, Companies or Bodies Corporate whether incorporated in India or abroad, Trusts, Mutual Funds, Banks, Financial Institutions, Insurance Companies, Pension Funds, Individuals or otherwise, whether shareholders of the Company or not, through a Public Issue, Rights Issue, Preferential Issue and/or Private Placement, with or without an over-allotment option, with or without reservation on firm and/or competitive basis of such part of the issue for such person or categories of persons as may be permitted, equity shares and/or equity shares through depository receipts including Global Depository Receipts ("GDRs") and/or American Depository Receipts ("ADRs") and/or Foreign Currency Convertible Bonds ("FCCBs") and/or any securities convertible into equity shares at the option of the Company and/or holder(s) of the Securities and/or securities linked to equity shares and/or securities with warrants including any instruments or securities representing either equity shares and/or Foreign Currency Convertible Bonds or Convertible Securities or securities linked to equity shares or equity shares/fully convertible debentures/partly convertible debentures or any securities other than warrants, which are convertible or exchangeable with equity shares at a later

date, to Qualified Institutional Buyers ("QIBs") under Chapter VIII of the SEBI ICDR Regulations or a combination of the foregoing (hereinafter collectively referred to as "Securities"),secured or unsecured, listed on any stock exchange inside India or any international stock exchange outside India, through an offer document and/or prospectus and/or offer letter and/or offering circular and/or information memorandum and/or any other offering document(s) including an umbrella or shelf offering document, and/or listing particulars, as the Board in its sole discretion may at any time or times hereafter decide, for an amount not exceeding ***Rs.50 Crores (Rupees Fifty Crores only)*** inclusive of such premium from time to time, such issue and allotment to be made at such time or times in one or more trenches, denominated in one or more currencies, at such price or prices in such manner and where necessary in consultation with the Lead Managers and/or Underwriters and/or Stabilizing Agents and/or other Advisors or otherwise on such terms and conditions as the Board may, in its absolute discretion, decide at the time of issue of Securities or on any other date.

RESOLVED FURTHER THAT consent of the members be and is hereby granted in terms of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956 to secure, if necessary all or any of the above Securities to be issued by the creation of mortgage and/or charge on all or any of the Company's immovable and/or movable assets, both present and future, in such form and manner and on such terms as may be deemed fit and appropriate by the Board.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution Sri Vithaldas Agarwal, Managing Director and Sri Mahender Kumar Agarwal, Joint Managing Director and the Company Secretary of the Company be and is hereby authorized to do the necessary acts, things, deeds, etc. as may be required in this regard."

- (10) To consider and if thought fit, to pass with or without modification (s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 read with the enabling provisions of the Memorandum and Articles of Association of the Company and subject to the regulations/rules/guidelines issued by the Securities and Exchange Board of India (SEBI), the provisions of the Listing Agreement entered into with the Stock Exchange(s) where equity shares of the company are listed and subject to such approvals, consents, permissions and sanctions of all other appropriate and/or concerned authorities and departments, if any, and subject to such conditions and modifications as may be prescribed by any of them in granting such approvals, consents, permissions and sanctions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "Board" which term shall be deemed to include any Committee constituted/to be constituted by the Board to exercise its powers conferred by this Resolution), which the Board be and is hereby authorised to accept, if it thinks fit in the interest of the Company, the consent of the Company be and is hereby accorded to the Board to offer, issue, allot and deliver 4,00,000 (Four Lakh only) convertible warrants on preferential basis in one or more tranches, convertible into 4,00,000 (Four Lakh only) equity shares (i.e. one Equity Share for one warrant issued) of the Company of the face value of Rs.10/- each to the following persons:

| Sl. No. | Name of the proposed Allottee | No. of Warrants to be allotted |
|---------|-------------------------------|--------------------------------|
| 1 | Sri Vithaldas Agarwal | 160000 |
| 2 | Sri MahenderKumar Agarwal | 130000 |
| 3 | Smt Madhavi Agarwal | 37000 |
| 4 | Sri Yash Agarwal | 60000 |
| 5 | Mahender Kumar Agarwal (HUF) | 13000 |
| | Total | 4,00,000 |

for cash which shall upon conversion rank pari-passu with the existing equity shares of the Company, in such form and manner and upon such terms and conditions as the Board may in its absolute discretion deem fit, at a price not less than the price arrived at on the "Relevant Date" arrived at based on Regulation 76 of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.

RESOLVED FURTHER THAT the 'Relevant Date' for the purpose of determining the issue price of warrants, in pursuance of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, is 30 days prior to the date of the General Meeting at which the approval of the shareholders in terms of Section 81(1A) of the Companies Act, 1956 is obtained.

RESOLVED FURTHER THAT-

- each warrant be convertible into one equity share can be exercised at any time within a period of 18 months from the date of issue of such Warrants and on such other terms and conditions, subject to SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, as may be applicable, from time to time.
- the aforementioned allottees shall have to pay a minimum 25% of the warrant offer price as application money towards the warrants.
- The amount paid on issue of warrants shall be forfeited if the warrants are not exercised within a period of 18 months from the date of issue of warrants.
- Equity Shares to be issued and allotted by the Company on exercising of the option against the warrants shall rank pari-passu in all respects with the then existing fully paid-up Equity Shares of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution Sri Vithaldas Agarwal, Managing Director and Sri Mahender Kumar Agarwal, Joint

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Managing Director and the Company Secretary of the Company be and is hereby authorized to do the necessary acts, things, deeds, etc. as may be required in this regard."

- (11) To consider and if thought fit, to pass, with or without modification (s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 16 & 94 and other applicable provisions, if any of the Companies Act, 1956, the Authorized Share Capital of the Company be and is hereby re-classified from Rs. 17,00,00,000/- (Rupees Seventeen Crores) consisting of 50,00,000 Equity Shares of Rs. 10/- each and 12,00,000 Preference Shares of Rs. 100/- each into 90,00,000 Equity Shares of Rs. 10/- each aggregating Rs. 9,00,00,000/- (Rupees Nine Crores only) and 8,00,000 Preference Shares of Rs. 100/- each aggregating to Rs. 8,00,00,000/- (Rupees Eight Crores only) and consequently the Clause V of the Memorandum of Association of the Company relating to share capital be and is hereby altered by substituting the following new Clause V in lieu of existing Clause V thereof:

- V. The Authorised Share Capital of the Company is Rs.17,00,00,000/- (Rupees Seventeen Crores only) divided into 90,00,000 Equity Shares of Rs. 10/- each aggregating Rs. 9,00,00,000/- (Rupees Nine Crores only) and the 8,00,000 Preference Shares of Rs. 100/- each aggregating to Rs. 8,00,00,000/- (Rupees Eight Crores only), whether Cumulative Redeemable or Non-cumulative Redeemable, with

the power to increase, reduce, subdivide, consolidate, convert into equity shares in accordance with the provisions of the law from time to time."

- (12) To consider and if thought fit, to pass, with or without modification (s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to Section 31 of the Companies Act, 1956 and subject to approval of members in General Meeting, the Articles of Association of the Company be altered by substituting the following new Article 3 in place of the existing Article 3 thereof:

The Authorised Share Capital of the Company is Rs. 17,00,00,000/- (Rupees Seventeen Crores only) consisting of 90,00,000 (Ninety Lakhs Only) Equity Shares of Rs. 10/- each and 8,00,000 (Eight Lakhs only) Preference Shares of Rs. 100/- each, whether Cumulative Redeemable and / or Non-cumulative Redeemable, with the power to increase, reduce, subdivide, consolidate, convert into equity shares in accordance with the provisions of the law from time to time."

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

Place : Secunderabad R. Surender Reddy
Date : 24th July, 2010 Chairman

NOTES

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and on a poll to vote thereat 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. Member / proxy should bring the attendance slip sent herewith, duly filed in, for attending the meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 20th September, 2010 to 23rd September, 2010 for the purpose of payment of dividend, if approved by the members. (Both days inclusive).
4. The Company has already transferred all unclaimed dividends declared up to the financial year ended 31st March, 2003 to the General Revenue Account of the Central Government as required by the Companies Unpaid Dividend (Transfer to the General Revenue Account of the Central Government) Rules, 1978.
5. Pursuant to the provisions of Section 205A (5) of the Companies Act, 1956, dividend for the financial year ended 31st March, 2004 and 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 205C 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 | Last Date for Claiming unpaid dividend | Due for transfer on |
|------------------------|---------------------|--|---------------------|
| 2003-2004 | 31.08.2004 | 30.08.2011 | 07.10.2011 |
| 2004-2005 | 29.09.2005 | 28.09.2012 | 05.11.2012 |
| 2005-2006 | 08.09.2006 | 07.09.2013 | 14.10.2013 |
| 2006-2007 | 26.09.2007 | 25.09.2014 | 02.11.2014 |

Members who have not encashed the dividend warrant(s) so far for the financial year ended 31st March, 2004 or any subsequent 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.

6. Members are requested to address all their correspondence including change of address, mandates etc. to the registrars Viz. M/s. Sathguru Management Consultants Private Limited, Plot No.15, Hindi Nagar, Panjagutta, Hyderabad- 500 034.
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. 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.
9. Pursuant to Clause 49 of the Listing Agreement, brief profile of the Directors appointed/ Reappointed is given in the Corporate Governance Report.
10. An explanatory statement pursuant to section 173 (2) of the Companies Act, 1956 in respect of the business set out under item no. 6,7,8,9,10,11 and 12 is annexed.
11. Members are requested to bring their copy of the Annual Report to the meeting.

EXPLANATORY STATEMENT

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

Item 6 : Re-appointment of Sri Mahender Kumar Agarwal as the Joint Managing Director of the Company.

The existing tenure of Sri Mahender Kumar Agarwal, Jt. Managing Director expires on 31st December, 2010. Sri Mahender Kumar Agarwal is the Promoter Director of the Company and since inception he has steered the Company with a total dedication, hard work and effective leadership, resulting in the profitable growth of the Company's operations. In times of slowdown 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.

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, Board has proposed to re-appoint him for a further period of 5 Years with effect from 1st January, 2011 on the terms and conditions contained in the resolution. The Remuneration Committee has approved the remuneration proposed to Sri Mahender Kumar Agarwal, Joint Managing Director.

The re-appointment of Sri Mahender Kumar Agarwal as the Joint Managing Director requires the approval of members in general meeting pursuant to Section 269, 311 read with Schedule XIII to the Companies Act, 1956.

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

1. Nature of industry

Suryalata Spinning Mills Limited is one of the largest producers of yarn. Company basically into manufacturing of Synthetic blended yarns of Polyester / Viscose. Currently Company has two ISO certified manufacturing units with a total capacity of 69,408 spindles. Suryalata Spinning Mills Limited is one of the fast growing established Textile sector Company.

2. Date of commencement of commercial production

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

3. Financial performance :

Performance of the Company for the last three years are as follows : (Rs. in lakhs)

| Item | 2008-09 | 2007-08 | 2006-07 |
|---|---------|---------|---------|
| Income from Operations (Gross) | 15,840 | 17,569 | 20,557 |
| Profit/Loss Before Interest, Depreciation & tax | 1,371 | 1,638 | 996 |
| Profit /Loss after Tax | 152 | 5 | 525 |

4. Export performance and net foreign exchange earnings

Export performance of the Company for the last three years is as follows: (Rs. in lakhs)

| Item | 2008-09 | 2007-08 | 2006-07 |
|-----------------------------|---------|---------|---------|
| FOB value of goods exported | 19.52 | 130.04 | 157.13 |

5. Foreign investments or collaborators, if any.

Foreign investments in the Company as on 31st March, 2009 are 9590 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 done Degree in Bachelor of Commerce. He is from the family with over six decades of experience in textile business. He has been associated with the Company since 1986. He is having vast experience in Textile Industry for the past 24 years. He is the promoter director of the Company. He was recently re-appointed as Joint Managing Director of the Company in the Annual General Meeting held on 8th September, 2006 with effect from 1st January, 2006 for a period of 5 years.

2. Past remuneration

Presently he is drawing the following remuneration : (Amount in Rs.)

| Salary | Perquisites | Commission | Contribution to PF | Total |
|----------|-------------|------------|--------------------|-----------|
| 9,60,000 | 5,51,240 | 4,80,000 | 1,15,200 | 21,06,440 |

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 resulting in the profitable growth of the Company's operations. During the period of slowdown of the Textile industry, Suryalata Spinning Mills Limited always kept its spirit high both in words and in action due to the untiring efforts of Sri Mahender Kumar Agarwal.

5. Remuneration proposed :

It is proposed to pay the remuneration as proposed 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 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 :

He does not have any pecuniary relationship with the Company. He is son of Sri Vithaldas Agarwal, Managing Director of the Company.