

# Annual Report 2014-15









# *In Loving Memories*



**Pankhuri & Yash Agarwal**

Your devoted exercise of strong leadership and hard work will continue to guide us, through the path you had chosen for the growth of SURYALATA.

Your intelligent spirit will enable us to take the heights you visualized.

Your divine vision will motivate us always through the journey of success.

Your mesmerizing memories will always be treasured.



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## **CORPORATE INFORMATION**

### **BOARD OF DIRECTORS**

**Sri R Surender Reddy**

(DIN: 00083972)

**Sri Vithaldas Agarwal**

(DIN: 00012774)

**Sri Mahender Kumar Agarwal**

(DIN: 00012807)

**Sri K Lakshmikanth Reddy**

(DIN: 00016766)

**Sri R S Agarwal**

(DIN: 00012594)

**Sri K R Suresh Reddy**

(DIN: 00074879)

**Sri Yash Agarwal**

(DIN: 03168109)

**Smt. Madhavi Agarwal**

(DIN: 06866592)

**Sri K K Sinha**

(DIN: 03383960)

**Sri K Nageswara Rao**

**Smt. Pameela Rani M**

Chairman

Managing Director

Joint Managing Director

Director

Director

Director

Executive Director (up to 4th October, 2014)

Executive Director (w.e.f. 6th November, 2014)

Director (Operations)

Chief Financial Officer

Company Secretary

### **COMMITTEES OF THE BOARD**

#### **AUDIT COMMITTEE**

Sri R Surender Reddy Chairman

Sri R S Agarwal Member

Sri K R Suresh Reddy Member

#### **STAKEHOLDERS RELATIONSHIP COMMITTEE**

Sri K R Suresh Reddy Chairman

Sri Vithaldas Agarwal Member

Sri Mahender Kumar Agarwal Member

#### **NOMINATION & REMUNERATION COMMITTEE**

Sri K R Suresh Reddy Chairman

Sri K Lakshmikanth Reddy Member

Sri R S Agarwal Member

#### **CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

Sri R Surender Reddy Chairman

Sri Vithaldas Agarwal Member

Sri Mahender Kumar Agarwal Member

#### **BANKERS**

State Bank of India, IFB, Hyderabad

IDBI Bank Limited, Chennai

### **AUDITORS**

Brahmayya & Co.,  
Flat No. 403 & 404, Golden Green Apartments,  
Irramanzil, Colony, Hyderabad - 500 082.

### **REGISTERED OFFICE**

Surya Towers, 1st Floor,  
105, Sardar Patel Road, Secunderabad - 500 003.  
Tel: 040 - 2777 4200 Fax: : 040 - 27846859  
Email: cs@suryalata.com  
Website : [www.suryalata.com](http://www.suryalata.com)

### **ISIN**

**INE132C01027**

### **CIN**

**L18100TG1983PLC003962**

**Listed on** Bombay Stock Exchange Limited (BSE)

**Scrip Code** 5 1 4 1 3 8

### **FACTORIES**

Marchala Village, Kalwakurthy Mandal  
Mahaboobnagar District, Telangana - 509 320

Urukondapet Village, Midjil Mandal,  
Mahaboobnagar District, Telangana - 509 320

### **REGISTRAR & TRANSFER AGENTS**

M/s.Karvy Computershare Private Limited,  
Karvy Selenium Tower B, Plot No: 31-32,  
Gachibowli, Financial District, Serilingampally,  
Nankramguda, Hyderabad - 500 032.

**Book Closure Dates: 15th September, 2015 to 21st September, 2015 (Both days inclusive)**

## NOTICE

NOTICE is hereby given that the **32nd Annual General Meeting** of the Members of **SURYALATA SPINNING MILLS LIMITED** will be held on **Monday, 21st September, 2015 at 10.30 A.M. at Kamat Lingapur Hotel, 1-10-44/2, Chikoti Gardens, Begumpet, Hyderabad - 500 016, Telangana** to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial year ended 31st March, 2015, together with the reports of the Board of Directors and the Auditors thereon.
2. To declare dividend on Cumulative Redeemable Preference Shares of the Company for the financial year ended 31st March, 2015.
3. To declare dividend on Equity Shares of the Company for the financial year ended 31st March, 2015.
4. To appoint a director in place of Sri Mahender Kumar Agarwal, (DIN: 00012807) Joint Managing Director of the Company 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** :

**"RESOLVED THAT** pursuant to Section 139 and other applicable provisions, if any, of the Companies Act, 2013, read with Companies (Audit & Auditors) Rules, 2014 including any statutory modification(s) or re-enactment thereof, for the time being in force) **M/s. Brahmayya & Co., Chartered Accountants, Hyderabad (Firm Registration No. 0005135)** be and are hereby re-appointed as Statutory Auditors of the Company to hold office from the conclusion of this 32nd 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 **Ordinary resolution** :

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198 read with Schedule V and other applicable provisions if any of the Companies Act, 2013 and rules made there under, the consent of the Members be and are hereby accorded to approve and ratify the appointment of **Smt. Madhavi Agarwal (DIN 06866592)** as the Whole-Time Director of the Company with a designation as **"Executive Director"** with effect from 6th November, 2014 for a period of Five (5) years.

**RESOLVED FURTHER THAT** Smt. Madhavi Agarwal shall be eligible to the following remuneration:

1. Salary : ₹ 1,75,000/- per month.
2. Commission : At the rate of 1% of the net profits the company with effect from the financial year 2015-16.
3. Perquisites : In addition to the salary and commission as stated above Smt. Madhavi Agarwal shall be entitled to the following perquisites.

### CATEGORY : A

Following perquisites and/or allowances given in category A will be allowed in addition to the salary, restricted to an amount of ₹ 9,00,000/- (Rupees Nine Lakhs only) per annum.

- (I) Medical Re - imbursement : Medical expenses incurred for self & family subject to a ceiling of one month's salary per year or 3 months' salary in a period of 3 years.
- (II) Club Fee : Fee of clubs subject to a maximum of two clubs, admission and life (corporate) membership fee for any one club.

- (III) Leave Travel Concession : For self and family once in a year incurred in accordance with the rules of the company.

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

**CATEGORY: B**

- (I) Contribution by the Company to Provident Fund, Superannuation Fund or Annuity Fund as per the rules of the Company.
- (II) Payment of Gratuity subject to an amount equal to half a month's salary for each completed year of service.
- (III) The Company shall provide a Car with Driver, telephone and other communication facilities at residence for use of Company's business.

**RESOLVED FURTHER THAT** in the absence of or inadequacy of profits in any financial year during her tenure of office, the above remuneration will be allowed as a minimum remuneration to Smt. Madhavi Agarwal subject to the provisions of Section II of Part II of Schedule V of the Companies Act, 2013".

7. To consider and if thought fit to pass with or without modification(s) the following resolution as **Ordinary resolution** :

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198 & 203 and other applicable provisions, if any, of the Companies Act, 2013 and rules made there under read with schedule V, as amended from time to time the consent of the Members be and are hereby accorded for the re-appointment of **Sri Mahender Kumar Agarwal (DIN 00012807)** as **Joint Managing Director** of the Company for a further period of 5 years with effect from 1st January, 2016 to 31st December, 2020 on the following existing terms and conditions:

1. Salary : ₹ 2,50,000/- per month
2. Commission : At the rate of 2% of the net profits the company.

3. Perquisites : In addition to the salary and commission as stated above Sri Mahender Kumar Agarwal, Joint Managing Director shall be provided with a Car and driver, telephone and other communication facilities at residence for use of Company's business.

**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 ₹ 9,60,000/- (Rupees Nine Lakh Sixty Thousand only) per annum.

- (I) Medical Re-imbursement : Medical expenses incurred for self & family subject to a ceiling of one month's salary per year or 3 months' salary in a period of 3 years.
- (II) Leave Travel Concession : For self and family once in a year incurred in accordance with the rules of the company.
- (III) Club Fees : Fee of Clubs subject to a maximum of two clubs, admission and life, (Corporate) Membership Fee for any one club.

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

**CATEGORY: B**

- (I) Contribution by the Company to Provident Fund, Superannuation Fund or Annuity Fund as per the rules of the Company.
- (II) Payment of Gratuity subject to an amount equal to half a month's salary for each completed year of service.
- (III) The Company shall provide a Car with Driver, telephone and other communication facilities at residence for use of Company's business.

**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 of the Company subject to the provisions of Section II of Part II of Schedule V of the Companies Act, 2013".

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

**"RESOLVED THAT** in accordance with the provisions of Sections 42, 55, 62 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with the Rules framed there under, as amended from time to time and the Articles of Association of the Company and the regulations/guidelines, if any, prescribed by any relevant authorities from time to time, to the extent applicable and subject to such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be considered necessary by the Board of Directors (hereinafter referred to as the "Board" which term shall be deemed to include any Committee thereof constituted/to be constituted for the time being exercising the powers conferred on the Board by this Resolution) or as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the Board, the consent of the Company be and is hereby accorded to the Board to offer or invite to subscribe, issue and allot, such number of Preference Shares of the Company of the face value of ₹ 100/- (Rupees One Hundred only) each, for an aggregate value not exceeding ₹ 5 crore, as Cumulative Redeemable Preference Shares ("CRPS"), for cash at par, on a private placement basis, to such person or persons and in such proportion and on such terms and conditions as set out in the Explanatory Statement annexed to the Notice convening this meeting.

**RESOLVED FURTHER** that in accordance with provisions of Section 43 of the Act, the CRPS shall be non participating, carry a preferential right, vis-à-vis Equity Shares of the Company, with respect to payment of dividend and repayment in case of a winding up or repayment of capital and shall carry voting rights as per the provisions of Section 47(2) of the Act."

**RESOLVED FURTHER THAT** pursuant to rule 9(2) of the Companies (Share Capital and Debentures) Rules, 2014, shall set out the following information :

1. The priority with respect to payment of dividend or repayment of capital vis-a-vis equity shares.	Being Cumulative Redeemable Preference Shares, they have preference over Equity Shares with respect to payment of dividend or repayment of Capital vis-à-vis Equity Shares.
2. The participation in surplus fund	They will not be entitled to participate in Surplus Fund.
3. The participation in surplus assets and profits, on winding-up which may remain after the entire capital has been repaid.	Nil
4. The payment of dividend on cumulative or non-cumulative basis.	Cumulative Basis.
5. The conversion of preference shares into equity shares.	Not Convertible.
6. The voting rights.	They will acquire voting rights if the dividend is not paid continuously for 2 or more years .
7. Redemption of preference shares.	Redeemable in 12 years from the date of allotment of Preference Shares.



**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board be and is hereby authorized to agree and to make such modification(s) and alteration(s) from time to time as it deems fit and to take all such steps as it may deem necessary, desirable or expedient and to resolve all questions of doubts and to do all acts, deeds and things in connection therewith and incidental thereto as the Board in its absolute discretion shall deem fit without being required to seek any fresh approval of the members of the Company and the decision of the Board shall be final and conclusive".

9. To consider and, if thought fit, to pass with or without modification, if any, the following resolution as a **Special Resolution** :

**RESOLVED THAT** pursuant to the provisions of Section 5 and 14 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the enabling provisions of the Memorandum and Articles of Association of the Company and subject to the requisite approvals, consents, permissions and/or sanctions as may be required, if any, the new set of draft regulations contained in the articles of association submitted to this Meeting and duly initialled be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby severally authorized to do all such acts, deeds, matters, things and to take all such steps as may be necessary, proper or expedient to give effect to the aforesaid resolution".

10. To consider and, if thought fit, to pass with or without modification, if any, the following resolution as a **Ordinary Resolution** :

**"RESOLVED THAT** pursuant to the Provisions of Section 148 and other applicable provisions if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any Statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration of ₹ 25,000/- (Rupees Twenty Five Thousand Only) and reimbursement of out of pocket expenses incurred by **M/s. Aruna Prasad & Co, Cost Accountants (Firm Registration No 100883)** appointed by the Board of Directors to conduct the Audit of the cost records of the company for the Financial Year ended 31st March, 2016, be and is hereby approved and ratified".

11. To consider and, if thought fit, to pass with or without modification, if any, the following resolution as a **Special Resolution** :

**"RESOLVED THAT** pursuant to Section 94 and other applicable provisions, if any, of the Companies Act, 2013, the Company hereby approves that the Register of Members, the Index of Members and copies of Annual Return along with copies of Certificates and documents or any or more of them, required to be annexed thereto under Section 88 & 92 of the said Act, be kept at the office of the Company's Registrar and Transfer Agents, M/s. Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot No: 31 & 32, Gachibowli, Financial District, Serilingampally, Nankramguda, Hyderabad - 500 032 with effect from 1st April, 2015 instead of being kept at the Registered Office of the Company.

By order of the Board of Directors  
For **SURYALATA SPINNING MILLS LIMITED**

**PRAMEELA RANI M**  
**COMPANY SECRETARY**

**Place:** Secunderabad

**Date :** 12th August, 2015

**NOTES**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and on a poll to vote 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. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
3. An explanatory statement pursuant to Section 102 of the Companies Act, 2013 which sets out details relating to Special Business at the meeting, is annexed hereto in respect of business set out under item no's 5 to 11.
4. The Register of Members and Share Transfer Books of the Company will remain closed from **15th, September, 2015 to 21st September, 2015** (Both days inclusive) for determining the names of Members eligible for dividend on equity shares subject to the approval of Members at Annual General Meeting.
5. Pursuant to the provisions of Section 205 A (5) of the Companies Act, 1956, the dividend for the Financial Year ended 31st March, 2007 has already been transferred to Investor Education And Protection Fund (IEPF) and for the subsequent years 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 205 A of the Companies Act, 1956.

Information in respect of such unclaimed dividend when due for transfer to the said fund is given below:

<b>For the Financial year</b>	<b>Date of declaration</b>	<b>Un-claimed Dividend Amount (in ₹)</b>	<b>Last Date of claiming unpaid Dividend/Due Date for transfer to IEPF Account</b>
2007 - 08	Not Applicable (As Dividend was not declared)		
2008 - 09	Not Applicable (As Dividend was not declared)		
2009 - 10	23rd September, 2010	1,13,700/-	29th September, 2017
2010 - 11	15th September, 2011	1,77,495/-	21st October, 2018
2011 - 12	12th September, 2012	90,457/-	18th October, 2019
2012 - 13	10th August, 2013	94,318/-	15th September, 2020
2013 - 14	6th August, 2014	98,118/-	11th September, 2021

Members who have not en-cashed the dividend warrant(s) so far for the aforesaid 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 with the Company.

Further the details of the un-claimed dividend for the above said years are also placed on the Company's Website i.e. [www.suryalata.com](http://www.suryalata.com).