



Suryalata Spinning Mills Limited

**36th
Annual Report
2018-19**

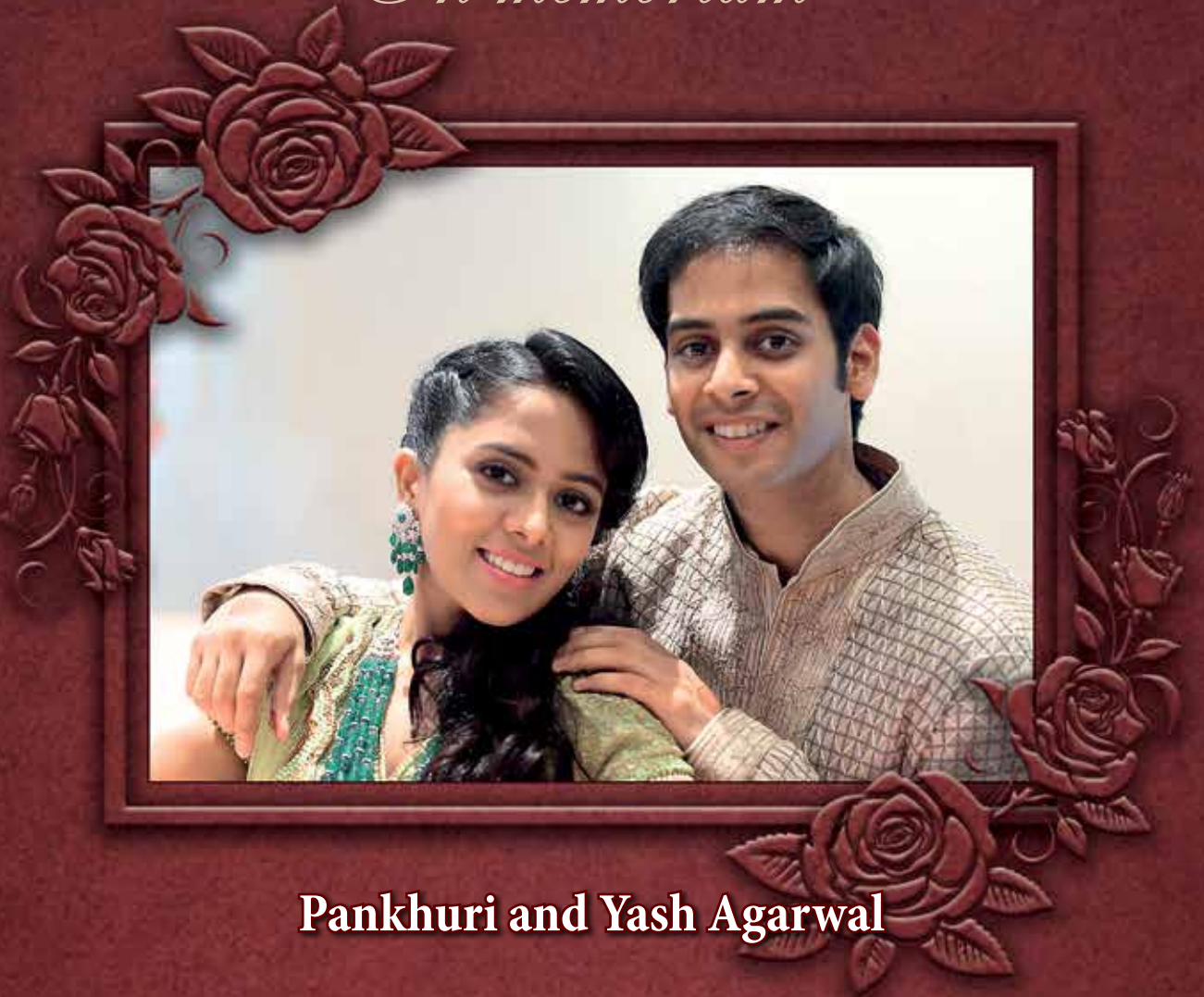
Success
.....is a Moving Target
.....is a continuous process



1 MW Solar Power Plant @ Urukondapet Unit



In memoriam



Pankhuri and Yash Agarwal



Gone are the days we used to share,
but in our hearts you are always there.
The gates of memory will never close.

We miss you more than anyone knows....

Suryalata Team



Modernization cum Expansion - Machinery Switchon Ceremony





Board of Directors - Plant Visit



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REGISTERED OFFICE

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

Tel : 040 - 2777 4200
Fax : 040 - 27846859
E-mail : cs@suryalata.com
Website : www.suryalata.com
ISIN : INE132C01027
CIN : L18100TG1983PLC003962
GST : 36AADCS0823M1ZA
Listed on : B S E Limited
Scrip Code : 5 1 4 1 3 8

REGISTRAR & TRANSFER AGENTS

M/s.Karvy Fintech Private Limited,
Karvy Selenium Tower - B, Plot No: 31-32,
Gachibowli, Financial District, Serilingampally,
Nankramguda, Hyderabad - 500 032
Tel : 040 - 6716 1606, 6716 1770
Fax : 040 - 2342 0814
E-mail : einward.ris@karvy.com
Website : www.karvyfintech.com

CORPORATE INFORMATION

BOARD OF DIRECTORS

Sri R Surender Reddy (DIN: 00083972)

Sri Vithaldas Agarwal (DIN: 00012774)

Sri Mahender Kumar Agarwal (DIN: 00012807)

Smt. Madhavi Agarwal (DIN: 06866592)

Sri K Lakshmikanth Reddy (DIN: 00016766)

Sri K R Suresh Reddy (DIN: 00074879)

Sri R S Agarwal (DIN: 00012594)

Sri K K Sinha (DIN: 03383960)

Chairman & Non-Executive Independent Director

Managing Director

Joint Managing Director

Whole-Time Director

Non-Executive Independent Director

Non-Executive Independent Director

Non-Executive Independent Director (up to 15-02-2019)

Director - Operations (upto 14-08-2019)

Sri K Nageswara Rao

Sri Deepesh Kumar Pipalwa

Smt. Y. Hari Priya

Chief Financial Officer (CFO)

Company Secretary & Compliance Officer (Up to 31-05-2018)

Company Secretary & Compliance Officer
(from 05-11-2018 to 15-07-2019)

COMMITTEES OF THE BOARD

AUDIT COMMITTEE

Sri R Surender Reddy, Chairman

Sri K R Suresh Reddy, Member

Sri K Lakshmikanth Reddy, Member

STAKEHOLDERS RELATIONSHIP COMMITTEE

Sri K R Suresh Reddy, Chairman

Sri Vithaldas Agarwal, Member

Sri Mahender Kumar Agarwal, Member

STATUTORY AUDITORS

K S Rao & Co.,

Chartered Accountants, Hyderabad.

SECRETARIAL AUDITORS

VCAN & Associates,

Company Secretaries, Hyderabad.

BANKERS

State Bank of India, IFB, Hyderabad

IDBI Bank Limited, Chennai

IndusInd Bank Limited, Hyderabad

NOMINATION & REMUNERATION COMMITTEE

Sri K R Suresh Reddy, Chairman

Sri R Surender Reddy, Member

Sri K Lakshmikanth Reddy, Member

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Sri R Surender Reddy, Chairman

Sri Vithaldas Agarwal, Member

Sri Mahender Kumar Agarwal, Member

INTERNAL AUDITORS

Brahmayya & Co.,

Chartered Accountants, Hyderabad.

COST AUDITORS

Aruna Prasad & Co.,

Cost Accountants, Chennai.

FACTORIES

Marchala Village, Kalwakurthy Mandal,
Nagar Kurnool District, Telangana – 509 320

Urukondapet Village Urukonda Mandal,
Nagar Kurnool District, Telangana – 509 320

Book Closure Dates: 21st September, 2019 to 28th September, 2019 (Both days Inclusive)

NOTICE

NOTICE is hereby given that the **36th Annual General Meeting** of the Members of **SURYALATA SPINNING MILLS LIMITED** will be held on **Saturday, September 28, 2019 at 10.45 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 March 31, 2019**, 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 March 31, 2019**.
3. To declare **dividend @ 18% (₹1.80 per equity share of ₹ 10/- each) to Non-promoter Equity Shareholders** of the Company for the financial year ended **March 31, 2019**.
4. To appoint a director in place of **Sri Vithaldas Agarwal, (DIN: 00012774)** who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

5. **Re-appointment of Sri Vithaldas Agarwal as Managing Director for a period of five years.**

*To consider and if thought fit to pass with or without modification(s), the following resolutions as an **Special Resolution**:*

“RESOLVED THAT pursuant to the provisions of Section 196, 197, 198, 203 and other applicable provisions, if any of the Companies Act, 2013 read with Schedule - V and rules made thereunder as amended from time to time and the applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and such other permissions, sanctions as may be needed, consent of the members of the Company be and is hereby accorded for re-appointment of Sri Vithaldas Agarwal (Age: 79 Years) as the Managing Director of the Company for a period of 5 years with effect from July 1, 2019 to June 30, 2024 on the following terms and conditions:

- I. Salary :** Not exceeding ₹ 3,25,000/- per month.
- II. Commission :** Commission not exceeding @ 2% on the net profits of the Company calculated as per the provisions of Section 198 of the Companies Act, 2013, may be paid to the Managing Director subject to the condition that the total remuneration for each year shall not exceed the overall limit as provided under Section 197 of the Companies Act, 2013 read with schedule - V of the Companies Act, 2013.
- III. Perquisites :** In addition to the salary and commission as stated above Sri Vithaldas Agarwal, Managing Director shall be entitled for the following perquisites:
 - a. 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.
 - b. Club Fee :** Fee of club subject to a maximum of two clubs, admission and life (corporate) membership fee for any one club.
 - c. Travel :** The Company shall provide a Car with Driver, telephone and other communication facilities at residence for use of Company's business.
- IV. INCREMENTS :** Increments may be given subject to the overall limits specified under Section 197 read with Schedule - V of the Companies Act, 2013.

“RESOLVED FURTHER THAT the Office of Managing Director shall be liable to retire by rotation pursuant to Section 152(6) of Companies Act, 2013 and Rules made thereunder and any subsequent amendment(s) and/or modification(s) in the Act, Rules and/or applicable laws in this regard.

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to alter and vary the terms and conditions of appointment and /or remuneration including annual increments based on the performance appraisal, provided the same are not exceeding the limits specified under Section 197 and other applicable provisions of the Companies Act, 2013 read with Schedule - V thereto.”

“RESOLVED FURTHER THAT the aggregate remuneration inclusive of salary and other benefits to Sri Vithaldas Agarwal shall always be within the overall ceiling laid down in Section 197 and other applicable provisions of the Companies Act, 2013 read with Schedule - V to the said Act, for the time being in force.”

“RESOLVED FURTHER THAT Sri Vithaldas Agarwal, Managing Director of the Company be and is hereby authorised, empowered and vested with the substantial powers of the Management of the Company for carrying out the affairs and activities of the Company subject to the superintendence, control and direction of the Board of Directors of the Company.”

“RESOLVED FURTHER THAT the Board of Directors (which term shall, unless repugnant to the context or meaning thereof, be deemed to include a duly authorised ‘Committee’ thereof) be and is hereby authorised to do and perform all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to above resolution.”

6. Revision in the terms of payment of remuneration to Smt. Madhavi Agarwal, Whole-Time Director of the Company w.e.f. July 1, 2019 till the completion of her present term.

*To consider and if thought fit to pass with or without modification(s), the following resolutions as an **Special resolution**:*

“RESOLVED THAT in partial modification to the resolution passed by the members in the 31st Annual General Meeting of the Company, subject to the applicable provisions of Section 196, 197, 203 and other applicable provisions, if any of the Companies Act, 2013 read with Schedule - V and rules made their under and amended from time to time and the applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and such other permissions, sanctions as may be needed, consent of the members be and is hereby accorded for revision of Basic Salary of Smt. Madhavi Agarwal, Whole Time Director of the Company from the existing limit of ₹ 1,75,000/- (Rupees One Lakh Seventy Five Thousand Only) per month to ₹ 2,25,000/-(Rupees Two Lakh Twenty-Five Thousand Only) per month with effect from July 1, 2019 till the remaining period of her current tenure.”

“RESOLVED FURTHER THAT except for the revision in the basic salary, all other terms and conditions of appointment, as approved earlier by the members, and which are not dealt with in this resolution, shall remain unaltered.”

“RESOLVED FURTHER THAT the Board of Directors (which term shall, unless repugnant to the context or meaning thereof, be deemed to include a duly authorised ‘Committee’ thereof) be and is hereby authorised to do and perform all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to above resolution.”

7. Re-appointment of Smt. Madhavi Agarwal as Whole-time Director for a period of five years.

*To consider and if thought fit to pass with or without modification(s), the following resolutions as an **Special resolution**:*

“RESOLVED THAT pursuant to the provisions of Section 196, 197, 198, 203 and other applicable provisions, if any of the Companies Act, 2013 read with schedule - V and rules made thereunder as amended from time to time and the applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and such other permissions, sanctions as may be needed, consent of the members of the Company be and is hereby accorded for re-appointment of Smt. Madhavi Agarwal as the Whole-Time Director of the Company for a period of 5 years with effect from November 6, 2019 on the following terms and conditions:

- I. **Salary :** Not exceeding ₹ 2,25,000/- per month.
- II. **Commission :** Commission not exceeding @ 1% on the net profits of the Company calculated as per the provisions of Section 198 of the Companies Act, 2013, may be paid to the Whole-Time Director subject to the condition that the total remuneration for each year shall not exceed the overall limit as provided under Section 197 of the Companies Act, 2013 read with schedule - V of the Companies Act, 2013.
- III. **Perquisites :** In addition to the salary and commission as stated above Smt. Madhavi Agarwal, Whole-Time Director shall be entitled for the following perquisites:

Category A

The 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:

- a. **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.
- b. **Club Fee :** Fee of club subject to a maximum of two clubs, admission and life (corporate) membership fee for any one club.
- c. **Leave Travel Concession :** For self and family once in a year incurred in accordance with the rules of the company.

Category B

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

- 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.
- c. The Company shall provide a Car with Driver, telephone and other communication facilities at residence for use of Company's business.

IV. **INCREMENTS** : Increments may be given subject to the overall limits specified under Section 197 read with Schedule - V of the Companies Act, 2013.

"RESOLVED FURTHER THAT the Office of Whole-Time Director shall be liable to retire by rotation pursuant to Section 152(6) of Companies Act, 2013 and Rules made thereunder and any subsequent amendment(s) and/or modification(s) in the Act, Rules and/or applicable laws in this regard.

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to alter and vary the terms and conditions of appointment and /or remuneration including annual increments based on the performance appraisal, provided the same are not exceeding the limits specified under Section 197 and other applicable provisions of the Companies Act, 2013 read with Schedule - V thereto."

"RESOLVED FURTHER THAT the aggregate remuneration inclusive of salary and other benefits to Smt. Madhavi Agarwal shall always be within the overall ceiling laid down in Section 197 and other applicable provisions of the Companies Act, 2013 read with Schedule - V to the said Act, for the time being in force."

"RESOLVED FURTHER THAT Smt. Madhavi Agarwal, Whole-Time Director of the Company be and is hereby authorised, empowered and vested with the substantial powers of the Management of the Company for carrying out the affairs and activities of the Company subject to the superintendence, control and direction of the Board of Directors of the Company."

"RESOLVED FURTHER THAT the Board of Directors (which term shall, unless repugnant to the context or meaning thereof, be deemed to include a duly authorised 'Committee' thereof) be and is hereby authorised to do and perform all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to above resolution."

8. Revision in the terms of payment of remuneration to Sri Mahender Kumar Agarwal, Joint Managing Director of the Company.

*To consider and if thought fit to pass with or without modification(s), the following resolutions as an **Special resolution**:*

"RESOLVED THAT in partial modification to the resolution passed by the members in the 32nd Annual General Meeting of the Company, subject to the applicable provisions of Section 196, 197, 203 and other applicable provisions, if any of the Companies Act, 2013 read with Schedule - V and rules made their under from time to time and the applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and such other permissions, sanctions as may be needed, consent of the members be and is hereby accorded for revision of Basic Salary of Sri Mahender Kumar Agarwal, Joint Managing Director of the Company from the existing limit of ₹ 2,50,000/- (Rupees Two Lakhs Fifty Thousand Only) per month to ₹ 3,25,000/- (Rupees Three Lakhs Twenty-Five Thousand Only) per month with effect from July 1, 2019 till the remaining period of his current tenure."

"RESOLVED FURTHER THAT the Board of Directors (which includes any committee thereof) be and is hereby authorised to vary or increase the remuneration specified above from time to time to the extent the Board of Directors may deem appropriate, provided that such variation or increase, as the case may be, is within the overall limits of the managerial remuneration as prescribed under the Companies Act, 2013 read with Schedule - V thereto, and/or any guidelines prescribed by the Government from time to time."

"RESOLVED FURTHER THAT except for the revision in the basic salary, all other terms and conditions of appointment, as approved earlier by the members, and which are not dealt with in this resolution, shall remain unaltered."