



Suryalata Spinning Mills Limited

37<sup>th</sup>  
Annual Report  
2019-20

Manufacturing Excellence.....  
..... through Innovation

*In memoriam*



**Yash Agarwal and Pankhuri**

**From Sunrise to Sunset**

**Every Moment would have been more Wonderful**

**If You Both were with us Today**

**Memories will never be forgotten**

**And it remains for thoughts**

**We missed beyond measure...**

**Suryalata Team**

<b>Contents</b>	<b>Page Nos.</b>
Corporate Information	3
Notice	4
Board's Report	16
Corporate Governance Report	39
Certificate by the CEO & CFO	52
Certificate on Corporate Governance	53
Management Discussion and Analysis Report	55
Independent Auditors' Report	60
Balance Sheet	66
Statement of Profit and Loss	67
Cash Flow Statement	70
Notes forming part of the Financial Statements	72

**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](mailto:cs@suryalata.com)  
Website : [www.suryalata.com](http://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**

KFin Technologies Private Limited  
Unit: Suryalata Spinning Mills Limited  
Karvy Selenium, Tower B, Plot 31-32,  
Gachibowli, Financial District,  
Nanakramguda, Serilingampally,  
Hyderabad – 500 032.

Phone No.: 040 6716 1500 / 6716 2222,  
E-Mail: [einward.ris@karvy.com](mailto:einward.ris@karvy.com)  
Website: [www.karvyfintech.com](http://www.karvyfintech.com)



## Notes

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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)  
 Smt. Madhavi Agarwal (DIN: 06866592)  
 Sri K Lakshmikanth Reddy (DIN: 00016766)  
 Sri K R Suresh Reddy (DIN: 00074879)  
 Sri K K Sinha (DIN: 03383960)

Sri K Nageswara Rao  
 Sri Venkata Ramana N  
 Smt. Y Hari Priya

Chairman & Non-Executive Independent Director  
 Managing Director  
 Joint Managing Director  
 Whole-Time Director  
 Non-Executive Independent Director  
 Non-Executive Independent Director  
 Director - Operations (upto 14-08-2019)

Chief Financial Officer (CFO)  
 Company Secretary & Compliance Officer (w.e.f. 09-01-2020)  
 Company Secretary & Compliance Officer (up 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: 19<sup>th</sup> September, 2020 to 28<sup>th</sup> September, 2020 (Both days Inclusive)**

## Notice

Notice is hereby given that the 37<sup>th</sup> Annual General Meeting of the Members of Suryalata Spinning Mills Limited will be held on Monday, September 28, 2020 at 10.45 A.M through Video Conferencing (VC)/Other Audio-Visual Means (OAVM) to transact the following items of business.

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended March 31, 2020, together with the reports of the Board of Directors and the Auditors thereon.
2. To declare dividend @ 10% (₹ 1/- per equity share of ₹ 10/- each) to Non-Promoter Equity Shareholders of the Company for the financial year ended March 31, 2020.
3. To appoint a director in place of Smt. Madhavi Agarwal, (DIN: 06866592) Whole time Director of the Company who retires by rotation and being eligible, offers herself for re-appointment.

### SPECIAL BUSINESS

4. **Re-appointment of Sri Mahender Kumar Agarwal as Joint 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 upto date, consent of the members be and is hereby accorded for re-appointment of Sri Mahender Kumar Agarwal (Age: 56 Years ) as the Joint Managing Director of the Company for a further period of 5 years with effect from January 1, 2021 to December 31, 2025 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 Joint 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 Mahender Kumar Agarwal, Joint 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 5 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 Joint 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 and Article 141 of the Articles of Association of the Company.”

**“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 Mahender Kumar 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 Mahender Kumar Agarwal, Joint 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.”

#### **5. Payment of Remuneration to Cost Auditor**

To consider and, if thought fit, to pass with or without modification, if any, the following resolution as an 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 forces, the remuneration of ₹ 35,000/- (Rupees Thirty 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 March 31, 2021, be and is hereby approved and ratified.”

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

Place: Secunderabad  
Date: June 25, 2020

**Vithaldas Agarwal**  
Managing Director  
DIN: 00012774

## NOTES FOR MEMBERS:

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through Video Conferencing ("VC") / Other Audio- Visual Means ("OAVM"), without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
2. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being proposed to be held pursuant to the said MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Attendance Slip and Proxy Form are not attached to this Notice.
3. Statement as required under section 102 of the Companies Act, 2013, in respect of items of special business is annexed hereto.
4. In case you are holding the Company's shares in dematerialized form, please contact your depository participant and give suitable instructions to update your bank details in your demat account and to notify any changes with respect to their addresses, email id, ECS mandate etc.

In case you are holding Company's shares in physical form, please inform Company's RTA viz. M/s. KFin Technologies Private Limited, Selenium Tower B, Plot Nos. 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500 032 by enclosing a photocopy of blank cancelled cheque of your bank account.

5. As per Regulation 40 of the Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. M/s. KFin Technologies Private Limited, Selenium Tower B, Plot Nos. 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500 032 are the Registrar & Share Transfer Agents (RTA) of the Company. All communications in respect of share transfers, dematerialization and change in the address of the members may be communicated to the RTA.
6. Members holding shares in the same name under different Ledger Folios are requested to apply for consolidation of such Folios and send the relevant share certificates to the RTA/Company.
7. Members who hold shares in physical form can nominate a person in respect of all the shares held by them singly or jointly. Members who hold shares in single name are advised, in their own interest to avail the nomination facility. Members holding shares in dematerialized form may contact their respective depository participant(s) for recording nomination in respect of their shares.
8. **Transfer of Unclaimed/Unpaid amounts to the Investor Education and Protection Fund (IEPF):**

Members are requested to note that dividends not encashed or remaining unclaimed for a period of 7(seven) years from the date of transfer to the Company's Unpaid Dividend Account, shall be transferred to the Investor Education and Protection Fund ("IEPF") established by the Central Government. Further, pursuant to the provisions of Section 124 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules') as amended from time to time, all shares on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to IEPF Authority as notified by the Ministry of Corporate Affairs. The Members/Claimants whose shares, unclaimed dividend have been transferred to IEPF may claim the shares or apply for refund by making an application to IEPF Authority in Form IEPF 5 which is available on [www.iepf.gov.in](http://www.iepf.gov.in) and on the website of the Company [www.suryalata.com](http://www.suryalata.com) along with requisite fee as decided by it from time to time.

Members who have not yet encashed the dividend warrants from the financial year ended March 31, 2013 onwards are requested to forward their claims to the Company's Registrar and Share Transfer Agents without any further delay. It is in Members' interest to claim any un-encashed dividends and for future, opt for Electronic Clearing Service, so that dividends paid by the Company are credited to the Members' account on time.

It may be noted that once the unclaimed dividend is transferred to IEPF as above, no claim shall rest with the Company in respect of such amount. It may also be noted that the unclaimed dividend amount which were lying with the Company upto and in respect of the year ended on March 31 2012, have already been transferred to IEPF. The details of the unclaimed dividends are available on the Company's website at [www.suryalata.com](http://www.suryalata.com) and on the website of Ministry of Corporate Affairs at [www.mca.gov.in](http://www.mca.gov.in).

Members are requested to contact the Company's Registrar and Share Transfer Agent or the Company to claim the unclaimed/unpaid dividends.

9. Members seeking any information or clarification on the accounts are requested to send their queries to the Company, in writing, at least one week before the date of the meeting. Replies will be provided in respect of such written queries at the meeting.
10. Pursuant to the directions/notifications of Securities and Exchange Board of India (SEBI) and Depositories, the demat account holders can operate their accounts if they had already provided Income Tax Permanent Account Number either at the time of opening of the account or at any time subsequently. In case they have not furnished the Income Tax Permanent Account Number to the Depository Participants, such demat account holders are requested to contact their DP's with a photocopy of the PAN Card (with original PAN Card for verification), so that the frozen demat accounts would be available for operation and further consequences of non-compliance with the aforesaid directives would be obviated.
11. Members may also note that the Notice of the 37th Annual General Meeting is available on the Company's website: [www.suryalata.com](http://www.suryalata.com). All documents referred to in the accompanying Notice and the Statement pursuant to Section 102(1) of the Companies Act, 2013 shall be open for inspection in electronic mode by the Members by writing an e-mail to the Company Secretary at [cs@suryalata.com](mailto:cs@suryalata.com).

In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with Annual Report 2019-20 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company / Depository Participants. Members may note that the Notice and the Annual Report 2019-20 will also be available on the Company's website at [www.suryalata.com](http://www.suryalata.com), on the website of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com), and on the website of CDSL, [www.evotingindia.com](http://www.evotingindia.com).

To support 'Green Initiative', members who have not registered their email addresses are requested to register the same with the Company's Registrar and Share Transfer Agent/ their Depository Participants in respect of shares held in physical/electronic mode, respectively.

12. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
13. Since the AGM will be held through VC/OAVM, the Route Map is not annexed to the Notice.
14. Additional information pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to Secretarial Standards on general meetings, information in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting is furnished in the annexure and forms part of the notice. The Directors have furnished the requisite consent / declaration for their appointment / re-appointment.
15. **Retirement of Directors by rotation:** Smt. Madhavi Agarwal, (DIN: 06866592) Whole time Director of the Company, retire by rotation at the ensuing AGM and, being eligible, offer herself for re-appointment.

The Board of Directors recommend the re-appointment of Smt. Madhavi Agarwal, (DIN: 06866592), Whole time Director, whose office is liable to retire by rotation

## **E-VOTING**

### **CDSL e-Voting System – For Remote e-voting and e-voting during AGM**

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No. 17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM will thus be held through video conferencing (VC) or other audio-visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements)

Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

3. The Members can join the AGM in the VC/OAVM mode 30 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM is being uploaded on the website of the Company at [www.suryalata.com](http://www.suryalata.com). The Notice can also be accessed from the websites of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com). The AGM Notice is also hosted on the website of CDSL (agency for providing the e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com)
7. The AGM is being convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.

#### **INSTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING:**

1. The voting period begins on Monday, September 21, 2020 at 09.00 hrs and ends on Sunday, September 27, 2020 at 17.00 hrs. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Friday, September 18, 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
2. Board of Directors have appointed M/s.VCAN & Associates, Practising Company Secretaries, to act as Scrutinizers to conduct and scrutinize the electronic voting process in connection with the ensuing Annual General Meeting in a fair and transparent manner. The members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereunder.
3. Shareholders who have already voted prior to the meeting date would not be entitled to vote during the meeting.
4. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
5. Click on "Shareholders" module.
6. Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
7. Next enter the Image Verification as displayed and Click on Login.
8. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
9. If you are a first-time user follow the steps given below: