



Suryalata Spinning Mills Limited

Automation &
Optimization leads to
.....Robust Performance.



38th Annual Report 2020 - 21



Words are few, thoughts are deep

Thoughts shared are way forward us .

Memories live forever and we will keep always ..

Suryalata Team



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CORPORATE INFORMATION

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

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@kfintech.com
Website: www.kfintech.com

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

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 Harishchandra Prasad (DIN: 00012564)

Sri K Nageswara Rao

Sri Venkata Ramana N

Chairman & Non-Executive Independent Director

Managing Director

Joint Managing Director

Whole-Time Director

Non-Executive Independent Director (Up to 24.08.2021)

Non-Executive Independent Director

Additional Director (w.e.f. 27.08.2021)

Chief Financial Officer (CFO)

Company Secretary & Compliance Officer

COMMITTEES OF THE BOARD

AUDIT COMMITTEE

Sri R Surender Reddy, Chairman

Sri K R Suresh Reddy, Member

Sri K Lakshmikanth Reddy, Member (Up to 24.08.2021)

Sri K Harishchandra Prasad, Member (w.e.f. 27.08.2021)

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

HDFC Bank limited, Hyderabad

IndusInd Bank Limited, Hyderabad

NOMINATION & REMUNERATION COMMITTEE

Sri K R Suresh Reddy, Chairman

Sri R Surender Reddy, Member

Sri K Lakshmikanth Reddy, Member (Up to 24.08.2021)

Sri K Harishchandra Prasad, Member (w.e.f. 27.08.2021)

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: 19th September, 2021 to 29th September, 2021 (Both days Inclusive)

Notice

Notice is hereby given that the 38th Annual General Meeting of the Members of Suryalata Spinning Mills Limited will be held on Wednesday, September 29, 2021 at 11.30 A.M (IST) 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, 2021, 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, 2021.
3. To declare dividend @ 20% (2/- per equity share of 10/- each) to Non-Promoter Equity Shareholders of the Company for the financial year ended March 31, 2021.
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.

SPECIAL BUSINESS

5. **APPOINTMENT OF MR. HARISHCHANDRA PRASAD KANURI (DIN: 00012564) 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, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification (s) or enactment thereof for the time being in force) and Regulation 17 and 24 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 Mr. Harishchandra Prasad Kanuri (DIN: 00012564) who was appointed as an Additional Director in the category of Independent Director of the Company by the Board of Directors effective from 27.08.2021 in terms of the provisions of Section 161 of the Companies Act, 2013, and whose appointment as an Independent Director is recommended by the, Nomination and Remuneration Committee and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director pursuant to Section 160 of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company for a period of five years with effect from 27.08.2021 to 26.08.2026 and the term shall not be subject to retirement by rotation upon such remuneration as may be determined by the Board of Directors of the Company from time to time within the overall limits of remuneration under the Companies Act, 2013

6. **To ratify the remuneration of the Cost Auditor Smt. Aruna Prasad (M/s. Aruna Prasad & Co., Cost Accountants) for financial year ending March 31, 2022**

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 reenactment(s) thereof, for the time being in forces, the remuneration of 40,000/- (Rupees Forty 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, 2022, be and is hereby approved and ratified."

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

Place: Secunderabad
Date: 27.08.2021

Vithaldas Agarwal
Managing Director
DIN: 00012774

NOTES

1. In View of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular nos. 14/2020 and 17/2020 dated April 8, 2020 and April 13, 2020 respectively, in relation to "Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by Covid-19". circular no. 20/2020 dated May 5, 2020 in relation to "Clarification on holding of Annual General Meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)" and Circular no. 02/2021 dated January 13, 2021 in relation to "Clarification on holding of Annual General Meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)" (collectively referred to as "MCA Circulars" and Securities and Exchange Board of India ("SEBI") vide its circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 in relation to "Additional relaxation in relation to compliance with certain provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 - Covid-19 pandemic" and circular no. SEBI/HO/CFD/ CMD2/CIR/P/2021/11 dated January 15, 2021 in relation to "Relaxation from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 due to the Covid-19 pandemic" (collectively referred to as "SEBI Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue.
2. In compliance with the applicable provisions of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, read with the MCA Circulars, SEBI Circulars and pursuant to Regulation 44 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the AGM of the members of the Company is scheduled to be held on Wednesday, September 29, 2021 at 11.30 A.M (IST) through VC / OAVM and the voting for items to be transacted in the Notice to this AGM is only through remote electronic voting process ("e-Voting"). The deemed venue for the 38th AGM will be registered office of the Company at Surya Towers, I Floor I05, Sardar Patel Road, Secunderabad, Telangana-500003, India
3. 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 this AGM and hence the attendance slip and proxy form are not attached to this notice
4. Statement as required under section 102 of the Companies Act, 2013, in respect of items of special business is annexed hereto.
5. 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.
6. 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.
7. 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.
8. 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.

9. 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 and on the website of the Company 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, 2014 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 2013, have already been transferred to IEPF. The details of the unclaimed dividends are available on the Company's website at www.suryalata.com and on the website of Ministry of Corporate Affairs at 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.

10. Pursuant to Finance Act 2020, dividend income is taxable in the hands of shareholders w.e.f. april 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, please refer to the Finance Act, 2020 and the amendments thereof. The shareholders are requested to update their PAN with the DP (if shares held in electronic form) and Company/ RTA (if shares held in physical form). A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G / 15H, to avail the benefit of non-deduction of tax at source by e-mail to cs@suryalata.com on or before September 18, 2021.
11. 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.
12. 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 DPs 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.
13. Members may also note that the Notice of the 38th Annual General Meeting is available on the Company's website: 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.

In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, 05th May, 2020 and 13th January, 2021 Notice of the AGM along with Annual Report 2020-21 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 2020 - 21 will also be available on the Company's website at www.suryalata.com, on the website of the Stock Exchange i.e. BSE Limited at www.bseindia.com, and on the website of CDSL, 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.

14. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
15. Since the AGM will be held through VC/OAVM, the Route Map is not annexed to the Notice.
16. 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.
17. Retirement of Directors by rotation: Sri. Mahender Kumar Agarwal, (DIN: 00012807) Joint Managing 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 Sri. Mahender Kumar Agarwal, (DIN: 00012807) Joint Managing 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, 2021, 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 at least 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. The Notice can also be accessed from the websites of the Stock Exchange i.e. BSE Limited at 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
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.
8. In continuation of this Ministry's General Circular No. 20/2020, dated 05th May, 2020 and after due examination, it has been decided to allow companies whose AGMs were due to be held in the year 2020, or become due in the year 2021, to conduct their AGMs on or before 31.12.2021, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 as per MCA circular no. 02/2021 dated January, 13, 2021.

THE INSTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING THE E-AGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:

- (i) The voting period begins on **Tuesday, September 21, 2021 at 09.00 hrs (IST) and ends on Tuesday, September 28, 2021 at 17.00 hrs (IST)**. 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. Saturday, September 18, 2021** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Board of Directors have appointed M/s. R & A Associates, Practicing 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.
- (iii) Shareholders who have already voted prior to the meeting date would not be entitled to vote during the meeting.
- (iv) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (v) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode is given below:**

Type of Shareholder	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful log in the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi / Easiest, option to register is available at https://web.cdslindia.com / myeasi/ Registration/ EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.