



Annual Report 2014-2015

 **Suryavanshi**
spinning mills ltd.

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Important Communication to Members

The Ministry of Corporate Affairs has taken a “Green Initiative in the Corporate Governance” by allowing paperless compliances by the companies and has issued circular stating that service of notice / documents including Annual Report can be sent by e-mail to its members. To support this green initiative of Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses in respect of electronic holdings with the Depository through their concerned Depository Participants.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Sri Badrinarayan Agarwal
Sri R.Surender Reddy
Sri Rajender Kumar Agarwal
Sri Jeetender Kumar Agarwal
Sri Devender Kumar Agarwal
Sri Pankaj Goel
Sri Surender Kumar Agarwal
Sri Manish Gupta
Smt Sushma Gupta

Executive Chairman
Independent Director
Managing Director
Executive Director (upto 31.03.2015)
Whole time Director (upto 31.03.2015)
Independent Director (upto 31.03.2015)
Independent Director
Independent Director
Additional Director (from 31.03.2015)

Chief Financial Officer & Company Secretary

Sri B. Somasekhara Rao

Auditors

M/s. Brahmayya & Co.
Flat NO.403 & 404,
Golden Green Apartments,
Irrum Manzil Colony,
Hyderabad-500082

Bankers

Andhra Bank
State Bank of Hyderabad
ICICI Bank Limited

Registered Office

6th Floor, Surya Towers, 105, S.P. Road,
Secunderabad - 500 003.
Website: www.suryavanshi.com
Email: info@suryavanshi.com
CIN: LI4220TG1978PLC002390
Phone: 91-40-30512700
Fax: 91-40-30512725/27815135

Registrar and Share Transfer Agents

Karvy Computer Share Private Limited
Karvy Selenium Tower B, Plot No 31 & 32,
Gachibowli, Financial District,
Nanakramguda, Serilingampally, Hyderabad – 500032
Tel No. 040-67161606, Fax No. 040-23420814
e-mail: einward@karvy.com
Website: www.karvycomputershare.com

FACTORY

Spinning & Medical Textile Divisions
Aliabad, Medchal Taluq, Ranga Reddy Dist.
Telangana - 500 078

Audit Committee

Sri R. Surender Reddy
Sri Surender Kumar Agarwal
Sri Manish Gupta
Sri Rajender Kumar Agarwal

Stakeholders' Relationship Committee

Sri Surender Kumar Agarwal
Sri Rajender Kumar Agarwal
Sri B. Somasekhara Rao

Nomination & Remuneration Committee

Sri R. Surender Reddy
Sri Surender Kumar Agarwal
Sri Manish Gupta

ISIN: INE431C01015
Listed on BSE Limited
Scrip Code: 514140

NOTICE

NOTICE is hereby given that the 36th Annual General Meeting of the Members of Suryavanshi Spinning Mills Limited will be held on Tuesday, 29th day of September, 2015 at 10.00 A.M. at Gayatri Gardens, Survey No. 26, Sikh Village, Near Diamond Point Hotel, Secunderabad - 500003 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements for the financial year ended 31st March, 2015 and the Reports of the Directors and Auditors thereon.

2. To appoint a director in place of Sri Badrinarayan Agarwal, who retires by rotation and, being eligible offers himself for reappointment and in this connection to consider and if deemed fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT Sri Badrinarayan Agarwal (DIN 00042123), be and is here by re-appointed as a Director of the company, liable to retire by rotation”

3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and in this connection, to consider and if thought fit, to pass with or without modification(s), the following Resolution as an ordinary Resolution.

“RESOLVED THAT M/s Brahmayya & Co., Chartered Accountants, (Firm's Registration Number 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 the next Annual General Meeting at a remuneration to be decided by the Board of Directors of the Company”.

SPECIAL BUSINESS

4. **TO APPOINT SMT SUSHMA GUPTA (DIN: 07147330) AS AN INDEPENDENT DIRECTOR AND IN THIS REGARD TO CONSIDER AND IF THOUGH FIT, TO PASS, WITH OR WITHOUT MODIFICATION(S), THE FOLLOWING RESOLUTION AS AN ORDINARY RESOLUTION.**

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other

applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Smt Sushma Gupta (DIN: 07147330), who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5(five) consecutive years with effect from 29.09.2015 to 28.09.2020.”

“RESOLVED FURTHER THAT Smt Sushma Gupta as an Independent Director shall not be liable for retirement by rotation during the tenure of her office.”

5. **TO MAINTAIN THE REGISTER OF MEMBERS AND RELATED BOOKS AT A PLACE OTHER THAN THE REGISTERED OFFICE OF THE COMPANY AND IN THIS REGARD TO CONSIDER AND IF THOUGH FIT, TO PASS, WITH OR WITHOUT MODIFICATION(S), THE FOLLOWING RESOLUTION AS A SPECIAL RESOLUTION.**

“RESOLVED THAT in supersession of the Special Resolution No. 10 passed at the 33rd Annual General Meeting of the Company held on 30th July, 2012 and pursuant to the provisions of Section 94 and all other applicable provisions, if any, of the Companies Act, 2013, read with Rules made there under, including any statutory amendment or modification thereof as may be in force, the Company hereby approves that the register of members and index of members as required to be maintained under Section 88 of the Act and copies of all annual returns prepared, together with the copies of certificates and documents required to be annexed thereto under Section 92 of the Act, and other related books be kept at the office of the Company's Registrar and Transfer Agents viz. Karvy Computershare Private Limited, situated at Karvy Selenium Tower B, Plot No 31 & 32, Gachibowli,

Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032, Telangana.

RESOLVED FURTHER THAT the Registers, Indexes, Returns, documents etc. as aforesaid be kept open for inspection between the hours of 2.00 p.m. and 4.00 p.m. on any working day of the Registrars except when the Registers and Books are closed.”

6. TO CONSIDER AND IF THOUGH FIT, TO PASS, WITH OR WITHOUT MODIFICATION(S), THE FOLLOWING RESOLUTION AS A SPECIAL RESOLUTION.

“RESOLVED THAT the consent of the company be and is hereby accorded in terms of section 180(1) (a) and other applicable provisions if any, of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), to the mortgaging and/or charging by the Board of Directors of the Company (hereinafter referred to as Board) of all the movable and immovable properties of the Company, where so ever situated, present and future, of the whole of the undertaking of the company together with power to take over the management of the business and concern of the company in certain events on FIRST CHARGE BASIS ranking pari passu with the other term lenders in favour of

1. Andhra Bank Consortium (Andhra Bank ₹ 17.54 crores & State Bank of Hyderabad ₹ 4.53 crores) to secure its Rupee Term Loan of ₹ 22.07 crores
2. ICICI Bank to secure its Rupee Term Loan of ₹ 1.60 crores

and on SECOND CHARGE BASIS ranking pari passu among the second charge holders in favour of Andhra Bank Consortium (Andhra Bank ₹ 16.32 crores & State Bank of Hyderabad ₹ 5.17 crores) to secure working capital facilities of ₹ 21.49 crores,

together with interest thereon at the respective agreed rates, compound interest, additional interest, liquidated damages, premia on prepayment or on redemption, cost, charges, expenses and other monies, payable by the Company to Andhra Bank Consortium/ICICI Bank under their letter of sanctions / loan agreements entered / to be entered into by the Company in respect of the said financial assistance.

Provided however that the above mortgage on the second charge basis in favour of Andhra Bank Consortium (Andhra Bank & State Bank of Hyderabad) to secure their working capital facilities shall rank second and subservient to the charges created / to be created by the Company in favour of Andhra Bank Consortium (Andhra Bank & State Bank of Hyderabad) and ICICI to secure the term loans sanctioned / to be sanctioned by them.

Provided further that the above mortgage/charge on first charge basis in favour of Andhra Bank Consortium (Andhra Bank & State Bank of Hyderabad) and ICICI shall rank pari-passu with, the mortgages and/or charges already created or to be created by the Company to secure the term loans sanctioned/to be sanctioned by Andhra Bank Consortium (Andhra Bank & State Bank of Hyderabad) and ICICI and the mortgage on SECOND CHARGE BASIS on immovable properties of the company in favour of Andhra Bank Consortium shall rank pari passu with the charges created / to be created in favour of the Bankers for working capital facilities.

“RESOLVED FURTHER THAT the Company do hereby authorize the Board to take all necessary steps for the execution of the documents for creation of the aforesaid mortgage/charge.”

7. TO CONSIDER AND IF THOUGH FIT, TO PASS, WITH OR WITHOUT MODIFICATION(S), THE FOLLOWING RESOLUTION AS AN ORDINARY RESOLUTION.

“RESOLVED THAT the Company do hereby approve in terms of Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit & Auditors) Rules, 2014, as amended, the remuneration of ₹ 20000/- (Rupees Twenty thousand only) plus out of pocket expenses payable to Aruna Prasad & Co., Cost Accountant for the cost audit to be conducted by them of the cost records of the Company for the financial year 2015-16.”

By order of the Board
For **Suryavanshi Spinning Mills Limited**

Place : Secunderabad
Date : 16.05.2015

B.N.Agarwal
Executive Chairman

NOTES

1. The register of members and share transfer books of the Company will be closed from 23rd September, 2015 to 29th September, 2015 (both days inclusive) for the purpose of Annual General Meeting.
2. **A MEMBER ENTITLED TO ATTEND THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights.
3. A member holding more than 10% of the total share capital may appoint a single person as Proxy and such person shall not act as Proxy for any other person or member. The Instrument appointing the proxy should be deposited at the registered office of the company not less than forty-eight hours before the commencement of the meeting.
4. The shareholder desiring any further information as regards the accounts are requested to write to the Company so as to reach it at least one week prior to the date of the meeting for consideration of the management to deal at the meeting.
5. Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.
6. Members may note that the Notice of the 36th AGM and the Annual Report for FY 2014-15, copies of audited financial statements, directors' report etc., will also be available on the website of the company, www.suryavanshi.com for download. Members holding shares in electronic mode are therefore requested to keep their email address updated with the Depository Participants. Members holding shares in physical mode are also requested to update their email addresses by writing to the Registrar and Transfer Agent of the Company at the address M/s Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot No 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032, Telangana.

7. E-Voting:

- (i) Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement, the Company is pleased to provide to its Members, the facility to cast their vote electronically, through the e-voting services provided by Karvy Computershare Private Limited (KCPL) on all resolutions set forth in this Notice. The members may cast their votes using an electronic voting system from a place other than the venue of the Meeting ('remote e-voting').
- (ii) In order to enable its Members, who do not have access to e-voting facility, to send their assent or dissent in writing in respect of the resolutions as set out in the Notice of AGM, the Company has also enclosed a ballot form with the Annual Report for 2014-15.
- (iii) The facility for voting through polling paper shall be made available at the Meeting and the members attending the Meeting who have not cast their vote by remote e-voting/ballot form shall be able to vote at the Meeting through polling paper.
- (iv) A Member can opt for only single mode of voting i.e. either through e-voting or by Ballot Form. If a Member casts votes by both modes then voting done through e-voting shall prevail and vote by Ballot shall be treated as invalid. The members who have cast their vote by remote e-voting/ballot form may also attend the Meeting but shall not be entitled to cast their vote again.
- (v) The Board of Directors of the Company has appointed Smt Rashida Adenwala, a Practising Company Secretary, Partner, R & A Associates, Hyderabad as Scrutinizer to voting process (e-voting, ballot and poll) in a fair and transparent manner and she has communicated her willingness to be appointed and will be available for same purpose.
- (vi) Voting rights shall be reckoned on the paid-up value of shares registered in the name of the member / beneficial owner (in case of electronic shareholding) as on the cut-off date i.e. 22nd September, 2015.

- (vii) A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, i.e. 22nd September, 2015 only shall be entitled to avail the facility of remote e-voting, ballot form as well as voting at AGM through polling paper.
 - (viii) Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e. 22nd September, 2015 may obtain the User ID and password by writing to Karvy at evoting@karvy.com or contact 040-67161606 or Toll Free No.1800 3454 001. However, if the person is already registered with Karvy for remote e-voting then the existing user ID and password can be used for casting vote.
 - (ix) The remote e-voting facility will be available during the following period:
 Commencement of remote e-voting: From 9.00 a.m. (IST) on September 26, 2015
 End of remote e-voting: Up to 5.00 p.m. (IST) on September 28, 2015
 The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting Module shall be disabled by Karvy upon expiry of aforesaid period.
 - (x) The Scrutinizer, after scrutinising the votes cast at the meeting and through remote e-voting, will, not later than three days of conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company www.suryavanshi.com and on the website of Karvy <https://evoting.karvy.com>. The results shall simultaneously be communicated to BSE Limited.
 - (xi) Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e. September 29, 2015.
 - (xii) Instructions and other information relating to remote e-voting:
- A. In case of Members receiving Notice through mail:
- a. Open e-mail and open PDF File viz. "Suryavanshi Spinning Mills.pdf" with you client ID or folio No. as password. The said PDF File contains your user ID and password for e-voting. Please note that the password is an initial password.
 - b. Use the following URL for e-voting: From Karvy website: <http://evoting.karvy.com>
 - c. Shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date, may cast their vote electronically.
 - d. Enter the login credentials. In case of physical folio, User ID will be EVEN number followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
 - e. After entering the details appropriately, click on LOGIN.
 - f. You will reach the Password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$, etc.,). The system will prompt you to change your password and update any contact details like mobile, email etc., on first login. You may also enter the secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - g. You need to login again with the new credentials.
 - h. On successful login, the system will prompt you to select the EVENT i.e., Suryavanshi Spinning Mills Limited.
 - i. On the voting page, enter the number of shares as on the cut-off date under FOR/AGAINST or alternately you may enter partially any number in FOR and partially in AGAINST but the total number in FOR/AGAINST taken together should not exceed the total shareholding. You

may also choose the option ABSTAIN. If the shareholder does not indicate either “FOR” or “AGAINST” it will be treated as “ABSTAIN” and the shares held will not be counted under either head.

- j. Shareholders holding multiple folios / demat account shall choose the voting process separately for each folios / demat account.
- k. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.
- l. Cast your vote by selecting an appropriate option and click on SUBMIT. A confirmation box will be displayed. Click OK to confirm else CANCEL to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, shareholders can login any number of times till they have voted on the Resolution.
- m. Once the vote on the Resolution is cast by the shareholder, he shall not be allowed to change it subsequently.
- n. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to rashida@rna-cs.com with a copy marked to evoting@karvy.com.
- o. In case of any queries relating to e-voting, members may please refer the Frequently Asked Questions (FAQs) for shareholders and e-voting User Manual for shareholders available at the download section of <http://evoting.karvy.com> or contact Mr. P. Srirama Murthy, Asst. Manager - Corporate Registry, Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot No. 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500032, Contact no. 040-67161606, Toll free No. 1800 345 4001, email id: srirama.murthy@karvy.com, evoting@karvy.com.

B. In case of members receiving notice through post/ courier:

- (i) Initial password, as below, will be sent separately

EVEN (E Voting Event Number)	User ID	Password

- (ii) Please follow all steps mentioned above in Sr. No. (xii)(A)(b) to (xii)(A)(n) to cast your vote by electronic means.

(xiii) Instructions and other information relating to Ballot Form:

- (i) A Member desiring to exercise voting by using Ballot Form shall complete the enclosed Ballot Form with assent (FOR) or dissent (AGAINST) and send it to the Scrutinizer, Smt Rashida Adenwala, a Practising Company Secretary, Partner, R & A Associates, Hyderabad, duly appointed by the Board of Directors of the Company, in the enclosed postage prepaid self-addressed envelope. Ballot Forms deposited in person or sent by post or courier at the expense of the Member will also be accepted at the Registered Office of the Company.
- (ii) Please convey your assent in Column “FOR” or dissent in the column “AGAINST” by placing a tick (✓) mark in the appropriate column in the Ballot Form only. The assent / dissent received in any other form / manner will not be considered.
- (iii) Duly completed and signed Ballot Forms shall reach the Scrutinizer on or before Monday, September 28, 2015 (5.00 p.m. IST). The Ballot Forms received after the said date / time shall be strictly treated as if the reply from the Member has not been received.
- (iv) Unsigned / incomplete Ballot Forms will be rejected. Scrutinizer’s decision on validity of the Ballot Form shall be final.
- (v) A Member may request duplicate Ballot Form, if so required, by writing to the Company at its Registered Office or by sending an email on info@suryavanshi.com by mentioning their Folio No. / DP ID and Client ID. However, the duly filled in duplicate Ballot Form should reach the scrutinizer not later than Monday, September 28, 2015 (5.00 p.m. IST).

8. The Companies Act, 2013 provides for the facility of nomination to the holders of Shares in a Company. Accordingly, members can avail the facility of nomination in respect of their shares held either singly or jointly. Members desiring to avail this facility are requested to fill up the prescribed nomination form and send the same to the Registered Office of the Company. (The forms are available at the Regd. Office /Office of Registrars of the Company).
9. Members are requested to notify immediately any change in their addresses to the Company.

10. The members are requested to bring their copy for the annual report with them at the time of attending Annual General Meeting.

By order of the Board
For **Suryavanshi Spinning Mills Limited**

Place: Secunderabad
Date: 16.05.2015

B.N.Agarwal
Executive Chairman

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 4

Smt Sushma Gupta was appointed by the Board of Directors as Additional Director (Woman Director), on the recommendation of Nomination & Remuneration Committee, in terms of Sections 161 and 149 of the Companies Act 2013, from 31st March, 2015. In terms of the said section, Smt Sushma Gupta shall hold office upto the date of the ensuing Annual General Meeting of the Company or the last date on which the annual general meeting should have been held, whichever is earlier.

Notice in writing under Section 160 of the Act has been received from a member signifying his intention to propose Smt Sushma Gupta as Director of the Company along with the requisite amount of deposit as required under the provisions of Section 160 of the Companies Act 2013 which will be refunded to the member if Smt Sushma Gupta is elected as Director.

Smt Sushma Gupta is a Bachelor of Arts and a Gold Medalist in Economics. She has a passion for teaching and is into the field of teaching for the past 7 years. In the opinion of the Board, her presence on the Board of the Company will add value to the management.

Smt Sushma Gupta has given a declaration to the Board that she meets the criteria of independence as provided under section 149(6) of the Act. In the opinion of the Board, she fulfills the conditions specified in the Act and the Rules framed there under for appointment as Independent Director and she is independent of the management.

In compliance with the provisions of section 149 read with Schedule IV of the Act, the appointment of Smt Sushma Gupta as Independent Director is now being placed before the Members for their approval.

The terms and conditions of appointment of the above Directors shall be open for inspection by the Members

at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The other details of Smt Sushma Gupta in terms of clause 49 is annexed to this Notice.

The Board recommends the above resolution for the approval of members.

Except Smt Sushma Gupta, none of the other directors / key Managerial Personnel of the Company / their relatives are in anyway concerned or interested, financially or otherwise in the above resolution.

Item No. 5

Under the provisions of the Companies Act, 2013, (the "Act") certain documents such as the register of members and index of members as required to be maintained under Section 88 of the Act and copies of all annual returns prepared, together with the copies of certificates and documents required to be annexed thereto under Section 92 of the Act, and other related books, are required to be maintained at the registered office of the Company unless a special resolution is passed in a general meeting authorising the keeping of the register at any other place within the city, town or village in which the registered office is situated or any other place in India in which more than one-tenth of the total members entered in the register of members reside.

M/s. Karvy Computershare Private Limited, Hyderabad is Company's Registrar and Share Transfer Agent (RTA), who have been providing depository related services for the shares held in demat mode and also acting as the Share Transfer Agent for the shares held in physical segment.

The members at the Annual General Meeting of the Company held on 30th July, 2012 had passed a Special Resolution under Section 163 of the Companies Act, 1956 approving keeping of the aforesaid Registers and copies of Annual Return and other related books at the office