



ANNUAL REPORT
2018-19

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Sri Rajender Kumar Agarwal

Managing Director

Sri Surender Kumar Agarwal

Independent Director

Sri Manish Gupta

Independent Director

Smt Sushma Gupta

Independent Director

Chief Financial Officer & Company Secretary

Sri B. Somasekhara Rao

Auditors

M/s. K.S.Rao & Co.
Flat No. 602, Golden
Green Apartments,
Irrum Manzil Colony,
Hyderabad - 500082

Bankers

Andhra Bank
State Bank of India

Registered Office

6th Floor, Surya Towers, 105, S.P.Road
Secunderabad – 500 003, Telangana
Website: www.suryavanshi.com
Email: info@suryavanshi.com
CIN: L14220TG1978PLC002390
Phone: 91-40-27843333

Audit Committee

Sri Surender Kumar Agarwal
Sri Manish Gupta
Sri Rajender Kumar Agarwal

Stakeholders' Relationship Committee

Sri Surender Kumar Agarwal
Sri Rajender Kumar Agarwal

Nomination & Remuneration Committee

Sri Surender Kumar Agarwal
Sri Manish Gupta
Smt Sushma Gupta

ISIN: INE431C01023

Listed on BSE Limited

Scrip Code: 514140

Registrar and Share Transfer Agents

Karvy Fintech Private Limited
Karvy Selenium Tower B,
Plot No 31 & 32, Gachibowli,
Financial District, Nanakramguda,
Serilingampally,
Hyderabad – 500 032
Tel No. 040-67161606,
Fax No. 040-23420814
e-mail: einward.ris@karvy.com
Website: www.karvyfintech.com

FACTORY

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

NOTICE

NOTICE is hereby given that the 40th Annual General Meeting of the Members of Suryavanshi Spinning Mills Limited will be held on **Monday, 30th day of September, 2019 at 10.00 A.M. at Gayatri Gardens, Survey No. 26, Sikh Village, Near Diamond Point Hotel, Secunderabad – 500009** to transact the following business:

ORDINARY BUSINESS

- To receive, consider and adopt the Audited Financial Statements for the financial year ended 31st March 2019 and the Reports of the Directors and Auditors thereon.
- To appoint a director in place of Sri Rajender Kumar Agarwal, who retires by rotation and, being eligible, offers himself for reappointment.

SPECIAL BUSINESS

- To Authorize the Board to Sell, lease or otherwise dispose undertaking of Company pursuant to Section 180(1)(a)**

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

“RESOLVED THAT pursuant to Section 180(1) (a) and other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under (including any amendment thereto or re-enactment thereof) the consent of the shareholders of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as “the Board” which term shall include any Committee thereof) to sell, lease or dispose of the following movable and immovable properties of the Company in favor of banks or any , Body Corporate or any other person (s) on such terms and conditions as the Board may deem fit, towards settlement of the loans, creditors or any other liabilities that are due and payable by the Company:

- 28.20 acres land located at Aliabad Village, Shameerpet Mandal, Rangareddy District, Telangana as per details below:

Survey Nos.	Acres-Guntas
563/P	7.10
564/P	6.13
568/P	0.10

Survey Nos.	Acres-Guntas
565/P	3.13
531/P	4.38
562/P	0.24
532/P	0.20
532	0.20
533	1.14
561	3.08
531/P	0.10
Total	28.20

- Plant and machinery.

All the plant & machinery including building of dyeing division and Spinning Division.

RESOLVED FURTHER THAT any of the Director of the Company be and are hereby authorized to sign such forms/ returns, and various documents as may be required to be submitted to the Registrar of Companies, or such other authorities and to do all the acts, deeds and things which may be necessary to give effect to the above said resolution.”

- Alteration of the object clause of the Memorandum of Association of the Company**

To consider and, if thought fit, to pass with or without modification, the following Resolution as a **SPECIAL RESOLUTION**:

“RESOLVED THAT pursuant to provisions of Section 13, Section 4 and other applicable provisions, if any, of the Companies Act, 2013, including any statutory modifications or re-enactment thereof for the time being in force and rules made thereunder and subject to such other requisite approvals, if any, in this regard from appropriate authorities and terms(s), condition(s), amendment(s), modification(s), as may be required or suggested by any such appropriate authorities, and agreed to by the Board of Directors of the Company (hereinafter referred to as “Board” which term shall include any Committee or one or more Directors), the consent of the members of the Company be and is hereby accorded for effecting the following alteration in the Object clause of the Memorandum of Association (the “MOA”) of the Company by addition/ substitution of certain clauses in the following manner:-

(i) The existing clause III (A) of the MOA be altered by appending of new sub clause (5) after sub clause (4)

5. "To carry on the business as promoters, developers, engineers, contractors and builders of and to purchase, sell, resell, give or take on lease or rent, lay out, develop, construct, build, erect, demolish, re- erect, alter, repair ,remodel commercial, industrial premises and residential houses of every type, housing societies, flat schemes, apartments, commercial buildings, offices, factories, warehouses, shops, godowns, farm houses, markets, schools, hotels, motels, theatres, hospitals, recreation centers, and to undertake all types of contracts entailing Build Operate Transfer (BOT) or Build Operate Lease Transfer (BOLT) of roadways, national highways, bridges, flyovers, sewers, canals, docks, wells, springs, dams, racecourses, watercourses, reclamation, water parks, irrigation schemes, entertainment complex, industrial complexes, harbors, power plants, reservoirs, embankments and/or of construction, structural or architectural work of any kind whatsoever in India or abroad and for that purpose to acquire, purchase assets, liabilities, shares of any company, firm, corporation engaged in similar business and to develop land, buildings and other properties."

(ii) The existing sub clause (36) of clause III (B) of the MOA be substituted by new sub clause as under;

36. To sell, and in any other manner deal with or dispose of the undertaking of the Company or any properties or assets thereof (movable or immovable) for such consideration and generally upon such terms and conditions as the Company may think fit and in particular for shares, stocks, debentures and other securities of any other Company having objects altogether or in part similar to those of the Company.

(iii) The existing clause III (B) of the MOA be altered by appending of new sub clause from (46) to (52) after sub clause (45)

46. Subjects to the provisions of the Act, to distribute among the members, in specie, any property of the Company or

any proceeds of sale or disposal of any property of the Company in the event of winding up of the Company.

47. To make donations to such persons or institutions in such cases either of cash or any other assets as may be thought directly or indirectly conducive to any of the Company's objects or otherwise expedient and in particular to remunerate any person or corporation introducing business of this Company and also to subscribe contribute or otherwise assist or guarantee money for charitable, scientific, religious, social, developmental or benevolent, national, public or other institutions, to carry on social welfare activities like old-age home, medical and ambulance services and similar other charitable purposes, and objects or for any exhibition or for any public, general or other objects and to establish and support or aid in the establishment and support of associations, institutions objects or for any exhibition for any public, general or other objects and to establish and support or aid in the establishment and support of associations, institutions, funds, and conveniences for the benefit of the employees (including Directors) of the Company or its predecessors in the business or the dependents, and in particular other benefit societies to grant pensions, allowances, gratuities and bonuses either by way of annual payments or a lump sum and to make payment towards insurance and to form of or for such persons.
48. To act as indenters, Commission Agents for Importers, Exporters, local and Inland Traders and for Export, Import, Local and Inland Trading of all products manufactured by the Company.
49. To appreciate any part or parts of the property of the Company and to build or let shops, offices and other places of business and to use or use any part of property of the Company not required for the purposes aforesaid for any purpose for which it may be conveniently let or utilized on taken advantage of.

50. To purchase, take on lease or tenancy or in exchange, hire, renew or otherwise acquire and hold any estate or interest and to let or sub-let in whole or in part, develop, manage and exploit any lands, buildings, machinery, easements, rights, privileges, plans, stock-in-trade, business concerns, options, contracts, claims, chooses-in-action and any real and personal property of any kind necessary or convenient for the business of the Company and either to retain the same for the purpose of the Company's business or to turn the same to account as may seem expedient.
51. To indemnify directors, agents and servants of the Company against proceedings, costs, damages in respect of anything done or ordered to be done by them for and in the interest of the Company or any loss damage or misfortunes, whatever which shall happen in execution of the duties of their office or in relation thereof.
52. To dedicate, present or dispose of either voluntarily or for value any property of the Company deemed to be of national, public or local interest to any national trust, public body, museums, Corporations or authority or any trustees for or on behalf of any of the same or on behalf of the public.

RESOLVED FURTHER THAT Board be and is hereby authorized to undertake all such acts, deeds, matters, and things and to execute all such deeds, documents, and writing as may be deemed necessary, proper desirable and expedient in its absolute discretion, for the purpose of giving effect to this resolution and to settle any question, difficulty, or doubt that may arise in this regard.

5. Alteration In The Liability Clause Of The Memorandum Of Association Of The Company

To consider the matter, and if thought fit, to pass the following as Special Resolution:

"RESOLVED THAT pursuant to provisions of Section 13, Section 4 and other applicable provisions, if any, of the Companies Act, 2013, ("Act") including any statutory modifications or reenactment thereof for the time being in force and rules made thereunder, the existing Clause IV of the Memorandum of

Association ("MOA") of the Company be and are hereby altered by replacing and substituting the same with the following new clause;

IV. "The liability of the member(s) is limited and this liability is limited to the amount unpaid, if any, on the shares held by them

RESOLVED FURTHER that the Board be and is hereby authorized to do all such acts, deeds, matters and things that may be deem necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid resolution."

6. Adoption of Articles of Association as per the provisions of the Companies Act, 2013:

To consider and, if thought fit, to pass with or without modification, the following Resolution as a **SPECIAL RESOLUTION:**

"RESOLVED THAT pursuant to the provisions of Section 14, 15 and any other applicable provisions of the Companies Act, 2013("the Act") read with the Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the consent of the members be and is hereby accorded to adopt the new set of Articles of Association containing, inter-alia, Regulation No. 1 to Regulation No. 358 in place of existing Articles of Association containing Regulation No. 1 to Regulation No. 161 as available for inspection in the meeting and at the registered office of the company during working hours.

RESOLVED FURTHER THAT any of the Director of the Company be and are hereby authorized to do all such acts, deeds, matters and things as may be deemed proper, necessary, or expedient, including filing the requisite forms with Ministry of Corporate Affairs or submission of documents with any other authority, for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto."

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

Place: Secunderabad
Date: 14.08.2019

R.K. Agarwal
Managing Director
DIN: 00041892

NOTES:

1. The register of members and share transfer books of the Company will be closed from 23rd September 2019 to 30th September 2019 (both days inclusive) for the purpose of Annual General Meeting.

2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM) 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. The holder of the proxy shall prove his/her identity at the time of attending the meeting.

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 shareholders 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 40th AGM and the Annual Report for FY 2018-19, 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 Fintech Private Limited, Karvy Selenium Tower B, Plot No 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032, Telangana.

7. SEBI has decided that securities of listed companies can be transferred only in dematerialised form w.e.f. December 5, 2018. In view of the above and to avail various benefits of dematerialization, members are advised to dematerialise shares held by them in physical form.

8. 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide to its Members, the facility to cast their vote electronically, through the e-voting services provided by Karvy Fintech Private Limited (KFPL) 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) The facility for voting through Ballot form shall be made available at the Meeting and the members attending the Meeting who have not cast their vote by remote e-voting shall be able to vote at the Meeting through Ballot form.
- (iii) 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 may also attend the Meeting but shall not be entitled to cast their vote again.
- (iv) The Board of Directors of the Company has appointed Smt Rashida Adenwala, Practising Company Secretary, Partner, R & A Associates, Hyderabad as Scrutinizer to voting process

- (e-voting and ballot) in a fair and transparent manner and she has communicated her willingness to be appointed and will be available for same purpose.
- (v) **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. 20th September 2019.**
- (vi) **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. 20th September 2019 only shall be entitled to avail the facility of remote e-voting as well as voting at AGM through ballot form.**
- (vii) 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. 20th September 2019, 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.
- (viii) The remote e-voting facility will be available during the following period:
- Commencement of remote e-voting: From 9.00 a.m. (IST) on 27th September 2019**
- End of remote e-voting: Up to 5.00 p.m. (IST) on 29th September 2019**
- 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.
- (ix) The Scrutinizer, after scrutinising the votes cast at the meeting and through remote e-voting, will, after the 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.
- (x) Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e. 30th September 2019.
- (xi) **Instructions and other information relating to remote e-voting:**
- A. **In case of Members receiving Notice through mail:**
- Open e-mail and open PDF File viz. "Suryavanshi Spinning Mills.pdf" with your 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.
 - Use the following URL for e-voting: From Karvy website: <http://evoting.karvy.com>
 - 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.
 - 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.
 - After entering the details appropriately, click on LOGIN.
 - 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/ Authorisation 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. **V Raghunath**, Deputy Manager, Karvy Fintech 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: raghu.veedha@karvy.com.
- B. In case of members receiving notice through post/courier:**
- (i) E-voting Event Number (EVEN), User ID and Password is provided in the Ballot form
 - (ii) Please follow all steps mentioned above in Sr. No. (xii)(A)(b) to (xii)(A)(n) to cast your vote by electronic means.
9. 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).
 10. Members are requested to notify immediately any change in their addresses to the Company.
 11. The members are requested to bring their copy for the annual report with them at the time of attending Annual General Meeting.
 12. A route map showing directions to reach the venue of the 40th AGM is given at the end of the Notice.

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

R.K.Agarwal
Managing Director
DIN: 00041892
Place: Secunderabad
Date: 14.08.2019

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

Item No. 3

As per the provisions of Section 180(1)(a) of the Companies Act, 2013, the Board of Directors of the Company cannot sell, lease or otherwise dispose of the whole or substantially the whole undertaking of the Company except with the consent of the members in the General Meeting by way of Special Resolution.

The Company is negotiating with the banks for the one time settlement of the loans of the Company. For the said purpose it is hereby proposed to sell / dispose off the entire plant & machinery including Building of dyeing division and portion of land situated at Aliabad Village, Shameerpet Mandal, Telangana the details of which is provided in the resolution above.

In this regard, your kind consent is being sought, to authorize the Board of Directors of the Company to sell or otherwise dispose of the properties and thereby get the funds to pay off the liabilities.

The members are requested to approve item No. 03 by passing Special Resolution

None of the Directors and / or Key Managerial Personal or their relatives, are interested or concerned in the resolution.

Item No.4

Upon enactment of the Companies Act, 2013, ("Act") the Memorandum of Association of the Company were required to be re-aligned as per the provisions of the new Act.

It is proposed to amend the Main objects of the Company partially to align the same with the present business activities and would include matters which are necessary for furtherance of main objects in Clause III (A).

Accordingly, the existing Clause III (A) and Clause III (B) of the Memorandum of Association of the Company are proposed to be altered by addition for new sub Clause including substitution of sub Clause 36 of Clause III (B) with new sub clause as submitted before the meeting and more particularly enumerated in the resolution

The alteration in the Object Clause of the MOA, as set out in the resolution, is to facilitate Company's entry into new business areas as defined therein. The proposed activities can be carried out, under the existing circumstances,

conveniently and advantageously along with the existing activities of the Company. These will enable the Company to carry on its business economically and efficiently.

Pursuant to Section 4 and 13 of the Companies Act, 2013 and rules made thereunder, consent of the Members by way of Special Resolution is required for change in objects clause of the Memorandum of Association of the Company.

Copy of the existing MOA, copy indicating the proposed amendments and other allied documents, if any, being referred in this resolution would be available for inspection by the members, free of cost, at the Registered Office and Head Office of the Company during 11.00 a.m. to 5.00 p.m. on all working days (Monday to Friday).

None of the Directors and/or Key Managerial Personnel of the Company and/or their relatives are concerned or interested, financially or otherwise in the said resolution except to the extent of their shareholding, if any.

The Board recommends the resolution under Item No. 04 for approval of the members as a Special Resolution.

Item No. 5

It is proposed to replace the 'liability clause' of the Memorandum of Association of the Company by substituting the same with existing Clause IV to re-word the same appropriately and make it in line with the requirements of the Companies Act, 2013.

It is proposed to alter the existing Clause IV of the Memorandum of Association of the Company by substituting with the following new clause;

IV. "The liability of the member(s) is limited and this liability is limited to the amount unpaid, if any, on the shares held by them.

In terms of Section 4 and 13 of the Act, the consent of the Members by way of Special Resolution is required for change in liability clause of the Memorandum of Association of the Company.

The Copy of the existing MOA, copy indicating the proposed amendments and other allied documents, if any referred in this resolution would be available for inspection by the members free of cost, at the registered office of the Company during 11:00 a.m. to 5:00 p.m. on all working days (Monday to Friday).